

COUNCIL MEETING

MAY 4, 2016

The Council Meeting of the Council of the County of Kaua'i was called to order by Council Chair Mel Rapozo at the Council Chambers, 4396 Rice Street, Suite 201, Līhu'e, Kaua'i, on Wednesday, May 4, 2016 at 8:33 a.m., after which the following Members answered the call of the roll:

Honorable Mason K. Chock
Honorable Gary L. Hooser (*present at 8:35 a.m.*)
Honorable Ross Kagawa
Honorable Arryl Kaneshiro
Honorable KipuKai Kuali'i
Honorable JoAnn A. Yukimura
Honorable Mel Rapozo

APPROVAL OF AGENDA.

Councilmember Chock moved for approval of the agenda as circulated, seconded by Councilmember Kuali'i, and carried by a vote of 6:0:1 (*Councilmember Hooser was excused*).

Council Chair Rapozo: Motion carried. Next item, please.

MINUTES of the following meetings of the Council:

February 4, 2016 Special Council Meeting, Council-Manager Form of Government Workshop
March 3, 2016 Special Council Meeting, Council-Manager Form of Government Workshop
March 17, 2016 Special Council Meeting, Council-Manager Form of Government Workshop
March 23, 2016 Council Meeting
March 23, 2016 Public Hearing re: Bill No. 2618
April 20, 2016 Public Hearing re: Bill No. 2623 and Bill No. 2624

(*Councilmember Kagawa was noted as not present.*)

Councilmember Chock moved to approve the Minutes as circulated, seconded by Councilmember Kuali'i, and carried by a vote of 6*:0:1 (**Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Kagawa was noted as silent (not present), but shall be recorded as an affirmative for the motion*) (*Councilmember Hooser was excused*).

Council Chair Rapozo: Thank you. Next item, please.

E. INTERVIEW:

1. BOARD OF ETHICS:

- William J. Fernandez – Term ending 12/31/2018

Council Chair Rapozo: Judge Fernandez.

WILLIAM J. FERNANDEZ: Thank you, Council Chair Rapozo and wonderful Council, for letting me come and participate with you in the business of Kaua'i.

Council Chair Rapozo: If you do not mind just stating your name for the record.

Mr. Fernandez: William J. Fernandez.

(Councilmember Hooser was noted as present.)

Council Chair Rapozo: We do have your resume as well as your application, but if you would like to give us a real brief overview of yourself.

Mr. Fernandez: Well, I have been *keiki o ka 'āina*, born on Kaua'i and lived here until I went to Kamehameha Schools. After that, I went to Stanford University and stayed on the mainland for a while, but I always longed to return to the roots on which I grew up.

(Councilmember Kagawa was noted as present.)

Mr. Fernandez: I am back, and we are back permanently on Kaua'i. When I was asked to consider a position like this, I said "whatever I can do to help our County, I am willing to do." So that is why I am here.

Council Chair Rapozo: Thank you very much, Judge. Are there any questions for Mr. Fernandez? Councilmember Yukimura.

Councilmember Yukimura: Good morning, Judge.

Mr. Fernandez: Good morning, Councilmember Yukimura.

Councilmember Yukimura: I do not have any questions, but I do have a request.

Mr. Fernandez: Yes.

(Councilmember Kualii was noted as not present.)

Councilmember Yukimura: First of all, I want to say that I am so grateful to the Mayor and to the Boards and Commissions Administrator for asking you to serve because I think someone with a legal background is very valuable on that Board. My request is that you might help the Board establish some way of precedence in terms of the decisions that they make.

(Councilmember Kualii was noted as present.)

Councilmember Yukimura: Sometimes one decision in a similar situation may vary and as you know, the principles of precedence can help to establish some consistency.

Mr. Fernandez: Yes.

Councilmember Yukimura: I do not know how that will be done, but I am confident that as you work with the Board and the attorney assigned to the Board, that you will probably find some ways to do that because it will help to make the decisions more consistent and maybe highlight the principles by which the decisions are made.

Mr. Fernandez: Well, you make an interesting point, Councilmember Yukimura, that I did not realize that we did not have a record of precedence that were set by the previous Board of Ethics. Certainly, I would be happy to work on creating a precedent setting line of rulings.

Councilmember Yukimura: Yes. I mean, the cases are all there, but I am not sure as the Board makes their decisions, they actually look back and think about which principles govern and how it applies in the new case before them.

Mr. Fernandez: Right. Okay.

Councilmember Yukimura: It is very wonderful that you are being appointed, and I thank you for your willingness to serve.

Mr. Fernandez: I think it is wonderful that this wonderful Board is letting me serve our people in this way. The credit goes to you, if any credit is to be given.

Council Chair Rapozo: Thank you. Are there any other questions for Mr. Fernandez? If not, thank you very much. Again, your resume is impressive. Your application was done very well. You have written a couple of books. I have your first one.

Mr. Fernandez: Well, I hope you read it.

Council Chair Rapozo: I read the first one and I have to get the second one. I just want to put that plug in there. I think you can get them on Amazon, correct?

Mr. Fernandez: Good. I will come back and bring books for all of you.

Council Chair Rapozo: Oh, that might violate something. I do not know.

Mr. Fernandez: Well, can you not give small gifts?

Council Chair Rapozo: Good luck with your books and I am looking forward to seeing you serving on the Board of Ethics.

Mr. Fernandez: Thank you. *Mahalo nui loa kākou.*

Council Chair Rapozo: Thank you. With that, there is a request to take up Resolution No. 2016-40, which if there are no objections, I am inclined to do. But we do have the Consent Calendar, if we can dispose of the Consent Calendar.

CONSENT CALENDAR:

C 2016-106 Communication (04/07/2016) from the Director of Finance, transmitting for Council information, the Third Quarter Statement of Equipment Purchases for Fiscal Year 2015-2016, pursuant to Section 17 of Ordinance No. B-2015-796, the Operating Budget of the County of Kaua'i for Fiscal Year 2015-2016.

C 2016-107 Communication (04/12/2016) from the Acting County Engineer, transmitting for Council consideration, a Resolution Establishing A Crosswalk On Po'ipū Road At Kipuka Street, Kōloa District, County Of Kaua'i, to improve safety for pedestrian connectivity for the immediate residential community to businesses and other destinations in the area.

C 2016-108 Communication (04/15/2016) from the Mayor, transmitting for Council consideration, a Resolution To Re-Authorize The Nomination Of Enterprise Zones For Consideration And Designation By The Governor Of The State Of Hawai'i.

C 2016-109 Communication (04/15/2016) from the County Attorney, transmitting for Council information, the Quarterly Report on Settled Claims against the County of Kaua'i from January 1, 2016 through March 31, 2016.

SCOTT K. SATO, Deputy County Clerk: Council Chair Rapozo, we also have another request. Someone signed up to testify on C 2016-110.

Council Chair Rapozo: I did get that note, and this was from Mr. Mickens. Mr. Mickens, we are going to combine the Communication and the Resolution as one (1) item for testimony. I understand that you were willing to give some of your time to Mr. Lewis at 1:43 p.m. I just want to let you know whatever time you use for the Communication will be taken off of that six (6) minutes that you have for the Resolution. Do you still want to proceed? Okay. Just make sure you keep his time. Can I have a motion to receive C 2016-106, C 2016-107, C 2016-108, and C 2016-109?

Councilmember Chock moved to receive C 2016-106, C 2016-107, C 2016-108, and C 2016-109 for the record, seconded by Councilmember Kuali'i.

Council Chair Rapozo: Is there any discussion? Is there any public testimony?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follow:

The motion to receive C 2016-106, C 2016-107, C 2016-108, and C 2016-109 for the record, was then put and unanimously carried.

Council Chair Rapozo: Okay. Can we have C 2016-110?

C 2016-110 Communication (04/28/2016) from Council Chair Rapozo, transmitting for Council consideration, a Resolution Proposing A Charter Amendment Relating To the Institution Of A Council-Manager Form Of Government.

Council Chair Rapozo: Can I get a motion to receive?

Councilmember Kuali'i moved to receive C 2016-110 for the record, seconded by Councilmember Chock.

Council Chair Rapozo: Thank you. With that, I will suspend the rules. Mr. Mickens.

There being no objections, the rules were suspended to take public testimony.

GLENN MICKENS: For the record, Glenn Mickens. Good morning, Councilmembers and BC. For twelve (12) years, a group of us have been trying to get our island going in the right direction from the turmoil of overdevelopment and the dire need for infrastructure to keep pace with development to the many other problems facing us, problems that our citizens and visitors are screaming about, ones that no logical person can deny. We must change the archaic system that we are operating under to one proven successful, one already in use by

fifty-one percent (51%) of municipalities across our Nation, a strong Council-Manager form of government. All of those communities using this successful system have put accountability and transparency before their citizens, whereas our strong Mayor-Council form of government leaves the people overtaxed, left in the dark on decisions being made, and no accountability for the downward spiral we are in. The argument frequently heard that all we need to do is change the people in charge of our government and not change the system is a myth. Since we have had a lot of different people in charge for years with nothing to show for it except more negativity and higher and higher taxes with no possible positive changes to show for them. With the passion and leadership of Council Chair Rapozo and the forward thinking of least four (4) members of the Council, we are seeing light at the end of the tunnel with high hopes that this issue will be on the ballot for citizens to vote on in the 2016 General Election. Having an experienced manager hired to take care of the myriad of problems facing us will be a major change that has never happened before on Kaua'i. The manager will either take care of and solve the problems given to him or her by the Mayor and Council or being fired, unlike the system now in place where the Mayor can sit for four (4) years no matter what kind of job he or she does. Under the existing system, no one person is ever held accountable for the wrong that is done, whereas with the Council-Manager form of government, the buck stops at the manager's desk. Proof is out there that good things happen with thousands of municipalities using this system. So let us at least try it. We have nothing to lose and everything to gain. Thank you, Council Chair Rapozo. How long was that? Was that about three (3) minutes?

Council Chair Rapozo: Two (2) minutes. So you have one (1) minute left.

Mr. Mickens: Okay. I will save that for Walter, okay.

Council Chair Rapozo: Okay. Thank you.

Mr. Mickens: Thank you, Council Chair Rapozo.

Council Chair Rapozo: Anyone else wishing to testify on the Communication? If not...oh, please. Your item will be coming up next. We are still on the Communication.

There being no further testimony, the meeting was called back to order, and proceeded as follow:

Council Chair Rapozo: This is the plan for this item, the Resolution will come up later. It will be the first reading. Any Charter Amendment Resolution requires two (2) readings by this body. Today is the first reading, and should it be voted pass today to the Committee where it will be hopefully referred to the Committee on May 11th and have the Committee discussions, and then we will set a public hearing subsequent to the Committee Meeting. Should it be successful at the

Committee, then it will come back to this body for the second and final reading. That is the plan. Does anyone have any questions? If not, the motion is to receive.

The motion to receive C 2016-110 for the record was then put, and unanimously carried.

Council Chair Rapozo: Motion carried. Now, can we take Councilmember Yukimura's item, please?

There being no objections, Resolution No. 2016-40 was taken out of order.

RESOLUTIONS:

Resolution No. 2016-40 – RESOLUTION ESTABLISHING A CROSSWALK ON PO'IPŪ ROAD AT KIPUKA STREET, KŌLOA DISTRICT, COUNTY OF KAUAI: Councilmember Kaneshiro moved for adoption of Resolution No. 2016-40, seconded by Councilmember Chock.

Council Chair Rapozo: Is there any discussion? Councilmember Kagawa.

Councilmember Kagawa: I just wanted to clarify something. I am getting a lot of press regarding this crosswalk and also the one on Waikomo Street where we are returning it into a one-way street for Safe Routes to School. In all of these Resolutions, the media, radio, and what have you are saying that these Resolutions are proposed by me, and actually by request, I have initiated these Resolutions to go on the agenda because I am the Public Works / Parks & Recreation Committee Chair. It is a normal protocol for staff to ask me if I am okay with introducing it on behalf of the Administration. The Mayor, the County Engineer, and the Engineering Division are the ones that are asking for these changes to take place on behalf of the public and what have you. I just wanted to make it clear that it is not me that supports it. At this point, on any request that I introduce, I am independent. I am not certain as to how I feel about the Resolutions in its totality. I just wanted to make that clear, that it is not something that I am already committed to support. Thank you, Council Chair Rapozo.

Council Chair Rapozo: Thank you. Councilmember Kualii.

Councilmember Kualii: I guess I should say since Vice Chair Kagawa made that clear, I will make it clear that there are members of the community that asked for this for a long time. When I just started this term on the Council, there was a request from a community leader in that neighborhood, Carol Ann Davis-Briant. My request to the Administration was to move on this. So it has taken well over a year back and forth, but they have moved on it. I appreciate that. When Michael Moule and Lyle were here before talking about all of Po'ipū, my further request then was that we not wait until the big plan happens, that the community

has been waiting for a long time and that we move on this in its own little piece prior to all of the other things that are still yet to come as far as pedestrian safety and improvements. Thank you.

Council Chair Rapozo: Councilmember Kagawa.

Councilmember Kagawa: If I could just further clarify that I think the credit for putting this on the agenda should go to Councilmember Kualii, not me. I just wanted to clarify. When the names of the introducers are listed, it is not always that person spearheading the efforts. Thank you, Council Chair Rapozo.

Council Chair Rapozo: Is there any other discussion? Seeing none, I will suspend the rules at this time if there are no objections, and I will take public testimony. First of all, does anyone need to hear from the Administration today? You do? Okay. You do?

Councilmember Kualii: I do.

Council Chair Rapozo: Yes, I think the Resolution is clear. The map is clear, but if Councilmember Yukimura, you want them up, we can call them up. Carol, let us wait for the Administration to come up and do their presentation. Lyle? This is a simple crosswalk on the road.

There being no objections, the rules were suspended.

LYLE TABATA, Acting County Engineer: Council Chair Rapozo, Vice Chair Kagawa, and Members. I just wanted to give a brief overview and clarify. I guess we have also been getting calls about the details of the crosswalk. I wanted to just provide an update. The location, as you see on the project map, is the intersection of Po'ipū Road and Kipuka Street. Can I have the second slide? Just showing the Google map view now of the intersection as it stands today. It is on the right hand side of the intersection. Just to clarify that the reason it took us a little long to prepare this is there is an existing sidewalk, as you see to the right bottom corner, that we had to connect to. Part of our standards that we need to meet is that wherever possible, at least at the minimum when we create a new crosswalk, we need to create landings on either side of the crosswalk. So because there was an existing sidewalk, we had to make the connections. So we had to create the design and the pricing for that. Then as you see on the Kipuka Street side of the crosswalk, we had to place another landing. In addition, it is not in the Resolution, but we wanted to clarify that we are installing rapid flashing beacon signs on the crosswalk. That concludes my presentation.

Council Chair Rapozo: Are there any questions? Councilmember Yukimura.

Councilmember Yukimura: Thank you, Lyle, you answered my question. A lot of testimony has asked for those flashing lights and nothing in the Resolution or the map showed that.

Mr. Tabata: I realized that yesterday, and so I wanted to make it clear that we are installing the rapid flashing beacon signs.

Councilmember Yukimura: Thank you. I think many people will be very happy.

Mr. Tabata: Thank you.

Council Chair Rapozo: Councilmember Chock.

Councilmember Chock: Thank you. The presentation actually brings up questions for me. I want to thank you for the flashing lights. I know that people speed down that road even though it is 25 miles per hour (25 MPH).

Mr. Tabata: Right.

Councilmember Chock: The first one was, I was visiting both O'ahu and Big Island, and I saw at the crosswalks there were flags. I was driving down far away and I saw this person walking through the crosswalk with an orange flag. I seen him from miles away.

Mr. Tabata: Right.

Councilmember Chock: I was just wondering, have you folks looked at that option?

Mr. Tabata: We have looked at that option; however, in discussions with the other islands, they told us that the flag disappears. So they constantly have to replace them.

Councilmember Chock: That is what I was thinking too.

Mr. Tabata: Instead, we are going to be installing these rapid flashing beacon signs. In fact, we presently have several other projects in design right now for, I believe, three (3) elementary schools and one (1) middle school on this island through Safe Routes to School funding.

Councilmember Chock: Okay. Thank you. The other question that I had...I am sorry.

Council Chair Rapozo: Go ahead.

Councilmember Chock: At one time, there was talks about the road that comes up from down side that there would be a connection there. I was wondering in relationship to this crosswalk, what does that mean in the future?

Mr. Tabata: It is not in the plan at this moment.

Councilmember Chock: Okay. Thank you.

Mr. Tabata: I believe I am familiar with that, and that borders on the Kaneiolouma property. So we want that stewardship to become secure first, and we are working with that community before we seek to do a connection, but I believe it is in the circulation plan.

Council Chair Rapozo: Councilmember Kuali'i and then Councilmember Yukimura.

Councilmember Kuali'i: Do you know the flashing signals?

Mr. Tabata: Yes.

Councilmember Kuali'i: I know we have that in Kapa'a near Otsuka's Furniture & Appliance near Hau'a'ala Road.

Mr. Tabata: Right, that as part of the Ke Ala Hele Makalae project that we installed on the State highway. Normally, we do not install on State highway, but that was part of our project.

Councilmember Kuali'i: Oh, okay. We did it because of the path?

Mr. Tabata: Yes.

Councilmember Kuali'i: It is working well there, right?

Mr. Tabata: Yes.

Councilmember Kuali'i: I drive through it all the time and I know I see the flashing lights.

Mr. Tabata: We are trying to encourage the State to install it at other locations, which the majority of the time either the Kaua'i Police Department (KPD) for the Department of Public Works receives calls from the public regarding State highway crossings. So we are trying to encourage them to also install it in several other places on the island.

Councilmember Kuali'i: Is this our second one then with the one coming up in Po'ipū, or are there others already?

Mr. Tabata: There are two (2) different types that we did originally in 2010 as trial basis, one (1) inroad and one (1) above grade. Above grade rapid flashing signs seems to be more effective. So there is one (1) at Kōloa Elementary School. Of course there is one (1) right here on Rice Street by the post office, and I believe we have several on the roundabout here at Hardy Street and at school crossings.

Councilmember Kualī'i: Thank you.

Council Chair Rapozo: Councilmember Yukimura.

Councilmember Yukimura: Yes. The evidence is showing that these lights work? I mean, the experience so far in the newly installed lights...

Mr. Tabata: Yes.

Councilmember Yukimura: Are you getting good results?

Mr. Tabata: They are not one hundred percent (100%), but I do not quite know the statistics. But it is been made aware on this island even more so. Recently, we just installed the one on Rice Street down by the new path that we placed with Community Development Block Grant (CDBG) moneys. We keep fielding calls from the community asking for these signs to be installed.

Councilmember Yukimura: Which one are you referring to?

Mr. Tabata: The most recent is the on...

Councilmember Yukimura: Correct, by Līhu'e Court.

Mr. Tabata: Līhu'e Court, yes.

Councilmember Yukimura: Okay. I do not know what kind of evidence you used to show it is working or not, but I guess it took a training period, if you will, for people to understand it and get used to those lights.

Mr. Tabata: Yes.

Councilmember Yukimura: I know that the awareness of it has grown. People understand more what it means when they see it.

Mr. Tabata: Yes.

Councilmember Yukimura: Do you know of studies elsewhere in the Country that have shown it is working?

Mr. Tabata: I need to defer to the Engineering Division to get the statistics for us.

Councilmember Yukimura: But you folks installed these or started installing these because...

Mr. Tabata: Right. They have been growing in popularity around the Country, yes.

Councilmember Yukimura: Okay. Thank you.

Council Chair Rapozo: Councilmember Kagawa.

Councilmember Kagawa: Lyle, what is the speed limit on Po'ipū Road in that area?

Mr. Tabata: I believe in this area, it has been reduced to twenty-five miles per hour (25 MPH) or it might be thirty-five miles per hour (35 MPH). The standard for this road would be thirty-five miles per hour (35 MPH), but I believe it has been reduced in certain sections.

Councilmember Kagawa: If I am on Po'ipū Road heading east towards Kipuka Street and Po'ipū Beach Park, after you pass Kipuka Street, I notice a bend. So I can envision that the visibility, if you are heading east towards Kipuka Street, the visibility of the beacons will be superb, but there is a bend. So if you are heading west towards Kipuka Street towards the Grant Hyatt Resort and Spa or what have you, there is a slight bend. I am wondering how the visibility to the beacon heading that way is.

Mr. Tabata: I believe it is not affected because of the right-of-way on this street.

Councilmember Kagawa: Oh, there is a lot of right-of-way?

Mr. Tabata: Yes. The right-of-way is over one hundred twenty (120) feet wide, which double the standard.

Councilmember Kagawa: Okay. Alright.

Mr. Tabata: This road was originally designed with the wide right-of-way with the intent it was going to eventually be a four-way road.

Councilmember Kagawa: My worry was that if the bend was a problem in seeing it from far, then perhaps we need a warning prior.

Mr. Tabata:
consideration, yes.

The sight distance was taken into

Councilmember Kagawa:
Rapoza.

Okay. Thank you. Thank you, Council Chair

Council Chair Rapozo:
warning signs that lead up to it?

Are there any other questions? Will there be

Mr. Tabata:

Yes, there will be pedestrian crosswalk signs.

Council Chair Rapozo:

As you approach the actual lights?

Mr. Tabata:

Actually, it will be at the stop bar.

Council Chair Rapozo:

That is where the lights are, right?

Mr. Tabata:

Yes.

Council Chair Rapozo:
crossing ahead or anything like that?

But prior to the lights, is there any pedestrian

Mr. Tabata:

No.

Council Chair Rapozo:

So the light is the only signal?

Mr. Tabata:

Yes, that is the only warning.

Council Chair Rapozo:

Is that normal?

Mr. Tabata:
amber, it is significant enough to warn.

I believe because it is lighted, flashing, and

Council Chair Rapozo:
warning coming up to the actual?

Okay. Are all of ours like that with no

Mr. Tabata:
crosswalk sign with the pedestrian on it pointing down to the stop bar to inform the
driver this is where you should stop.

Yes. There is just the crosswalk with the

Council Chair Rapozo:

Okay.

Mr. Tabata:
feet. Originally, the standard was five (5) feet and we have now extended it to
thirty (30) feet.

We have advanced the stop bars to thirty (30)

Council Chair Rapozo: Okay. Thank you. Thank you very much. With that, anyone...Ms. Davis-Briant.

CAROL ANN DAVIS-BRIANT: Got it. You folks are fancy. I hope you can hear me. I have a bad cold and I am just getting over it.

Council Chair Rapozo: We can hear you fine.

Ms. Davis-Briant: I really appreciate Lyle working on that. I have known Lyle for many years and I know he is terrific. He was terrific at Aqua Engineer, and he will be terrific with our crosswalks. Thank you. Anyhow, I appreciate you folks taking this up.

Councilmember Yukimura: Please state your name.

Ms. Davis-Briant: Oh, my name. Sorry. I am Carol Ann Davis-Briant and I am a resident of Po'ipū. I have lived at the Weliweli subdivision. I built the first house there in 1967. I raised all of my kids on that street. We all had to face crossing the road with our bicycles and walking to the beach. It is very dangerous. Anyhow, I revised the letter I sent you and I would like to read it to you. I wholeheartedly support the lighted rectangular flashing beacon crosswalk at the bottom of Kipuka Street in the Weliweli subdivision in Po'ipū Road where many people cross to the beach daily. Children walk, they ride bicycles, the wheel baby buggies, and kids with bikes and surfboards go across that street. I would say there are four hundred (400) residents on that street. There about one hundred twenty-five (125) houses all together on that street, and I would say around four hundred (400) residents live up there. It is the only neighborhood in Po'ipū where there are kids and there are a lot of kids up there. People speed on Po'ipū Road and I noticed your speeding signs, this is notice in my letter, but I noticed coming down here, you have monitored by or patrolled by, what does it say? Yes, radar. You have them going towards the Grand Hyatt Resort and Spa, but coming towards our street where the bend is, there is no sign. People really speed down that road especially from the Grand Hyatt Resort and Spa. When the road was first built, the County stationed police cars on the road to give out tickets and that was pretty good because everybody slowed down. I do not see the police cars there anymore. It is a dangerous situation. I have been asking for a crosswalk at Kipuka Street and Po'ipū Road for I would say about ten (10) years, maybe longer. I appreciate the Council taking up the matter. It makes no sense that our County puts crosswalks for visitors on Po'ipū Road, but none for our local residents and we pay the taxes. We would appreciate a crosswalk. I also have an idea and I heard Lyle talking about signage. You have terrific signs on Hardy Street opposite the County building saying "Stop When Pedestrians Are Crossing." It is a stop sign and that gets my attention every time. That would get attention, to have a stop sign there. People do not have to stop, but I always stop to say, "Oh, is this a stop sign or not?" It would make people aware. So that is another idea.

Council Chair Rapozo: I have to stop you there. Is there anyone else wishing to testify on this matter? Okay. Carol, you can come up again for a second three (3) minutes.

Ms. Davis-Briant: No, I do not have anything more to say.

Council Chair Rapozo: Okay. Well, thank you very much.

Ms. Davis-Briant: I just appreciate you folks. Thank you. Thank you, Councilmember Kualifi, especially.

Council Chair Rapozo: Thank you for pushing this through. Next speaker.

LONNIE SYKOS: Good morning, Council. For the record, Lonnie Sykos. I do not live there. I live in Wailua Houselots. The reason that I am testifying today is when we make changes to our roadways, we do not do any public education. The first time I drove into Lihu'e after they put all of this green paint on the road, right, I am driving down the road going what the hell is all this green paint? You are supposed to pay attention to the road driving, but instead, you have it to pay attention to why is this green paint on the road? What does it mean? Obviously it was not done by accident. To address what Carol said, you have a problem with people speeding in that area, and so putting a crosswalk in is part of the solution, but the true solution is you need to do some public education about getting both our residents and the visitors to slow down in that area. I would think that is not an issue for the Police Department to deal with because they are not supposed to be involved in creating policy. Their job is to enforce policy. This is a Department of Transportation issue. Our Transportation Agency does not educate the public about these changes that are being made. It should be a newspaper articles, things on the radio, internet, and on our County website. I would encourage the Council that this appears to be a very valid and good project, but it is lacking the public education part of it, which is what is really going to make a difference. Thank you very much.

Council Chair Rapozo: Thank you. Is there anyone else wishing to testify? Mr. Mickens.

Mr. Mickens: For the record, Glenn Mickens. Since we are talking about these flashing lights, I just wondered if the ones that we are talking about before by the schools is this going to be part of that situation. It is completely separate. I remember Council Chair Rapozo you used to say you support it one hundred percent (100%). Instead of saying speed limit fifteen miles per hour (15 MPH) when children are present, we suggested having a light there. When the light is on, you know the school is in session and that is when it is fifteen miles per hour (15 MPH). It is relatively simple. I just wondered if this was part of Lyle's job.

Council Chair Rapozo: No. This has nothing to do with schools.

Mr. Mickens: Flashing lights though. Safety.

Council Chair Rapozo: Yes, flashing lights, but no schools with this Resolution.

Mr. Mickens: Right. Well, I hope it is brought up again.
Thank you, Council Chair Rapozo.

Council Chair Rapozo: It will be. This Resolution is a crosswalk on Po'ipū Road by Weliweli subdivision. It is not about schools or school zones. If you could just focus to the Resolution on-hand. Thank you.

JOE ROSA: Okay. For the record, Joe Rosa. They talk about the flashing lights, but those flashing lights are not automatic. The person has to go and press the button before the thing is activated. I have seen it right out here by the post office. There is flashing lights, but people are crossing and it is not flashing because they do not read the sign over there that says "press button" or something. So that is the thing. What is the use if you put the fancy gadgets and nobody uses it? It has to be close by that they do not have to walk out of the way and come back like some of these signs. Even the State had some crazy things done because they gave it to consultants and they do not know the location to a person. A person in a wheelchair has to go to the post, like the State has some, and then come back to the crosswalk. Why not close to the crosswalk where the off-ramp is to go to the crosswalk and press the button so it activates the lights and then the traffic is going to stop? Like Lonnie said, what is the use of putting those fancy gizmos in if they are not run efficiently? Those are the kind of things. They spend money, but it is not being totally used. Then, the State takes away a crosswalk and the County keeps putting in midblock crosswalks. I do not understand it. What is the ruling? In court, midblock crosswalks do not hold water. Thank you.

Council Chair Rapozo: Thank you. Anyone else wishing to testify?

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Rapozo: Is there any further discussion? If not, the motion is to approve. Roll call.

The motion for adoption of Resolution No. 2016-40 was then put, and carried by the following vote:

| | | |
|-------------------|--|------------|
| FOR ADOPTION: | Chock, Hooser, Kagawa, Kaneshiro, Kuali'i, Yukimura, Rapozo | TOTAL – 7, |
| AGAINST ADOPTION: | None | TOTAL – 0, |

EXCUSED & NOT VOTING: None
RECUSED & NOT VOTING: None

TOTAL – 0,
TOTAL – 0.

JADE K. FOUNTAIN-TANIGAWA, County Clerk: Seven (7) ayes.

Council Chair Rapozo: Thank you. Motion carried. Next item, please. Back to the beginning.

COMMUNICATIONS:

C 2016-100 Communication (04/01/2016) from the Housing Director, requesting Council approval to decline the repurchase of Unit No. 701 in Ho'okena at Puhi, 2080 Manawalea Street, Līhu'e, Hawai'i, Tax Map Key (TMK) (4) 3-3-003-036-0041, and grant the owner a one-year waiver of the buyback provision to allow for the market sale of the property by the owner: Councilmember Yukimura moved to approve of C 2016-100, seconded by Councilmember Kuali'i.

Council Chair Rapozo: Is there any discussion? Is there any public testimony?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

The motion to approve C 2016-100 was then put, and unanimously carried.

Council Chair Rapozo: Motion carried. Next item, please.

C 2016-111 Communication (04/04/2016) from the Chief of Police, requesting Council approval to accept a donation of equipment consisting of three (3) MorphoTrak Livescans valued at \$78,133, from the Hawai'i Criminal Justice Data Center, Department of the Attorney General, State of Hawai'i, which will replace the equipment located at the Hanalei, Līhu'e, and Waimea Substations: Councilmember Kuali'i moved to approve of C 2016-111 with thank-you letter to follow, seconded by Councilmember Yukimura.

Council Chair Rapozo: Is there any discussion? Is there any public testimony?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Rapozo: Did you guys want to come up? Are there any questions for KPD?

Councilmember Yukimura: Yes.

Council Chair Rapozo: Go ahead.

There being no objections, the rules were suspended.

Council Chair Rapozo: Again, your request, your presentation materials were very detailed, and it is very clear to me. So unless anyone has questions.

ROBERT GAUSEPOHL, Assistant Chief, Kaua'i Police Department, Administrative & Technical Bureau (ATB): We have good news.

Council Chair Rapozo: Okay. What is the good news?

PAUL N. APPLEGATE, Captain, Kaua'i Police Department, Administrative & Technical Bureau (ATB): Thank you. For the record, Paul Applegate, Kaua'i Police Department, Captain, ATB. Good morning.

Councilmember Yukimura: Good morning.

Mr. Applegate: In the original letter, I listed that we were going to be given three (3) Livescans, but in the meantime, they wanted to give us one (1) more, a fourth live scan. So that one will be going into the records section where sex offender registration and fire arms registration will be...that is what that machine will be used for. The value of that one is also twenty-seven thousand four hundred twenty-nine dollars (\$27,429), so the total value will be one hundred five thousand five hundred sixty-two dollars (\$105,562). Currently, we do have four (4) aged machines that are being used in those three (3) districts as well as the records section. This would be a complete replacement for all four (4).

Council Chair Rapozo: That is good news.

Mr. Applegate: Yes.

Council Chair Rapozo: Thank you very much. Staff, is there anything that we have to do? Do we need to amend it?

Ms. Fountain-Tanigawa: We just need to amend the motion on the floor.

Council Chair Rapozo: Okay. We need to amend the motion to change the number of equipment to four (4) and a value from seventy-eight thousand

one hundred thirty-three dollars (\$78,133) to one hundred five thousand five hundred sixty-two dollars (\$105,562).

Councilmember Kagawa moved to amend the motion to accept four (4) MorphoTrak Livescans valued at \$105,562, with thank-you letter to follow, seconded by Councilmember Kaneshiro.

Council Chair Rapozo: Thank you very much.

Councilmember Kagawa: I have a question.

Council Chair Rapozo: Oh, I am sorry. Go ahead.

Councilmember Kagawa: Do we have four (4) like these?

Mr. Applegate: Correct.

Councilmember Kagawa: Are they getting old?

Mr. Applegate: Yes.

Councilmember Kagawa: Is there any additional features that this one has over the four (4) that we have?

Mr. Applegate: Yes.

Councilmember Kagawa: What are the significant changes?

Mr. Applegate: The new Livescans would be able to capture the entire palm print images including the upper palm portion of the hand, which the older machines are not able to do, and the Federal Bureau of Investigation (FBI) uses this information in their database.

Councilmember Kagawa: What is the purpose of that large cabinet area? What does that store? Does that store all the computer information?

Mr. Applegate: There is a computer in there and also a keyboard and camera.

Mr. Gausepohl: The foot pedal when you roll the fingerprint, you can push the pedal and it captures the fingerprint.

Councilmember Kagawa: So you cannot drive it around?

Mr. Gausepohl: You can barely see it down there at the bottom.

Councilmember Kagawa: Alright. Thank you. Great job.

Council Chair Rapozo: Councilmember Yukimura.

Councilmember Yukimura: Just for the edification of the viewing public, this is a fingerprint machine?

Mr. Applegate: Yes, fingerprint...

Councilmember Yukimura: Among other things.

Mr. Applegate: Yes.

Councilmember Yukimura: Okay. Are you planning to have them at three (3) stations?

Mr. Applegate: The three (3) stations and the records section, yes.

Councilmember Yukimura: Will that give you the renewed capacity because you have an old machine there?

Mr. Applegate: Yes.

Councilmember Yukimura: To take fingerprints whenever you have a suspect or someone.

Mr. Applegate: An arrestee.

Councilmember Yukimura: An arrestee?

Mr. Applegate: Yes.

Councilmember Yukimura: Okay. Good. Thank you very much. It sounds like essential equipment.

Council Chair Rapozo: Thank you. Are there any other questions?

There being objections, the meeting was called back to order, and proceeded as follows:

Council Chair Rapozo: I guess we will have to restate the motion because we were not in order. I apologize. I will entertain a motion to amend the request to accommodate four (4) machines instead of three (3), and a value of one hundred five thousand five hundred sixty-two dollars (\$105,562) instead of seventy-eight thousand one hundred thirty-three dollars (\$78,133).

Councilmember Kagawa moved to amend the motion to accept four (4) MorphoTrak Livescans valued at \$105,562, with thank-you letter to follow, seconded by Councilmember Kaneshiro, and unanimously carried.

The motion to approve C 2016-111 as amended to accept four (4) MorphoTrak Livescans valued at \$105,562, with thank-you letter to follow, was then put, and unanimously carried.

Council Chair Rapozo: Motion carried. Next item, please.

C 2016-112 Communication (04/11/2016) from the Housing Director, requesting Council approval for the acquisition and leasehold resale to a participant on the Affordable Housing Program Waitlist of improvements on leasehold property situated at 4914 Aliali Road, #5, Kapa'a, Hawai'i 96746, and to authorize the County Clerk to sign legal documents related to the acquisition and resale of said transactions: Councilmember Yukimura moved to approve of C 2016-112, seconded by Councilmember Kualii.

Council Chair Rapozo: Is there any discussion? Is there any public testimony?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

The motion to approve C 2016-112 was then put, and unanimously carried.

Council Chair Rapozo: Motion carried. Next item, please.

C 2016-113 Communication (04/14/2016) from the Director of Parks & Recreation, requesting Council approval of an unbudgeted equipment purchase of an Americans with Disabilities Act (ADA) Pentair AquaTRAM 360 pool lift with anchor and transfer cart, to be stationed at the Kapa'a Pool, at an estimated cost of \$13,554.47, using funds in Account No. 001-3021-661.61-02 (Department of Parks & Recreation, Recreation Division, Other Supplies): Councilmember Kaneshiro moved to approve C 2016-113, seconded by Councilmember Yukimura.

Council Chair Rapozo: Is there any discussion?

Councilmember Kagawa: Yes.

Council Chair Rapozo: Councilmember Kagawa.

Councilmember Kagawa: I just have a question for Lenny.

Council Chair Rapozo: Before we suspend the rules and before the Administration comes up, the next two (2) items are requests for purchases that are unbudgeted. May 8th is the Administration's second attempt for the supplemental budget, which will be Friday because May 8th is a Sunday. I get troubled when you hear about this all the time, government getting close to the end of the fiscal year so they are trying to spend all of their money. I do not understand, and I will ask the Administration to justify the request so close to the new year budget. Why can this not wait for both of the next items? If it is an emergency, I can understand. If it is something that we want to have that we can wait or we cannot wait, I can understand. But if it is something that can wait for the next budget, I am not inclined to support any more unbudgeted items until the next budget. We are two (2) days away from the supplemental budget and yet we are asking to spend money from the current budget. I do not understand the logic. I do not understand the philosophy, but maybe the Administration can explain why we are doing this. Councilmember Kagawa keep talks about how broke we are, then let us live up to that and say "Hey, why is this now, a month away from the end of the fiscal year? Can it wait another month? I just wanted to make those comments upfront so the Administration knows what my concerns are, and hopefully can address them. I would expect the same from my colleagues. This is not Christmas came early. It is, let us put it in the budget, and if it is an emergency, it is another story. With that, before I open it up, are there any other comments from the Council before we move forward? If not, I will suspend the rules.

There being no objections, the rules were suspended.

Council Chair Rapozo: Mr. Rapozo.

Councilmember Kagawa: I had a question. I am trying to draw a picture in my head of what this thing looks like. Is it a large piece of equipment that is going to help with lifting Americans with Disabilities Act (ADA) persons of disabilities of larger size?

LEONARD A. RAPOZO, Director of Parks & Recreation: For the record, Director of Parks & Recreation, Lenny Rapozo. Yes. Currently, Councilmember Kagawa, we have a lift there, but the maximum is three hundred (300) pounds at Kapa'a swimming pool. We currently have a lift there. Recently within this past year, we have a lot of users that are maxing out higher than three hundred (300) pound weight limit. It is not an emergency, but it is a need to help our users at the Kapa'a swimming pool. We see it there and not at Waimea. So that is why we are trying to address that by asking to purchase this.

Councilmember Kagawa: I think it is terrific that we have people with disabilities that are large and using the pool for exercise.

Mr. Rapozo: Exactly. That is exactly what is happening. They have water Zumba and a goal exercise class there. It is easy to get them in, but to get them out of pool is a problem.

Councilmember Kagawa: I am still healthy and I have a difficult time climbing out of the pool as I am getting older. What are we going to do with the other lift?

Mr. Rapozo: We will just keep it as a spare because we still have one (1) in Waimea. If something happens at Waimea, recently we had to purchase another one at Waimea because it was vandalized. We will just keep it as a spare.

Councilmember Kagawa: I imagine that it is made of some type of metal.

Mr. Rapozo: I have a picture here.

Councilmember Kagawa: I am wondering do we have a place to store it from the elements. The ocean is right there with the ocean breeze.

Mr. Rapozo: This?

Councilmember Kagawa: Yes.

Mr. Rapozo: This is affixed to the pool. It is not portable.

Councilmember Kagawa: It is affixed to the pool?

Mr. Rapozo: Yes, they do not recommend portables for these things.

Councilmember Kagawa: How do you...

Mr. Rapozo: We attach them to the ground.

Councilmember Kagawa: You attach it to the ground and then I imagine that they need to swim to the area?

Mr. Rapozo: It swings.

Councilmember Kagawa: I have swam in the pool in the past, but I have never seen that lift.

Mr. Rapozo: It is off to the shallow side because they do not recommend these devices to be in deeper than four (4) feet by ADA standards.

Councilmember Kagawa: Okay. Alright. Thank you. Thank you,
Council Chair Rapozo.

Council Chair Rapozo: Are there any other questions?

Councilmember Kagawa: He was going to show the picture first.

Mr. Rapozo: The reason for the exact amount is we have
done some preliminary...it does not reach the level of a formal bid. It is an informal
bid. So we have done some research as to what it would cost us. That is the price.

Councilmember Kagawa: I have one (1) more follow-up. Do we ever take
that out of the pool?

Mr. Rapozo: No.

Councilmember Kagawa: Do we take it out once in a while?

Mr. Rapozo: No. This one here is going to be affixed
because of the capacity.

Councilmember Kagawa: When we have swim meets is it not in the way
a little bit? Do we go around it?

Mr. Rapozo: Yes.

Councilmember Kagawa: Okay. Thank you. Thank you, Council Chair
Rapozo.

Council Chair Rapozo: Are there any other questions? Go ahead.

Councilmember Kaneshiro: What is the weight capacity on this new one?

Mr. Rapozo: Six hundred (600) pounds. It is six
hundred (600), but we are not going to say anything. We try not to go over five
hundred (500) pounds. The current one is three hundred (300) pounds, but we try
not go over two hundred (200) pounds to two hundred fifty (250) pounds just to ensure
safety. That is what the rating is.

Councilmember Kaneshiro: Okay. Thank you.

Council Chair Rapozo: My only question is why we not put one in
Waimea? Maybe they are not coming to Waimea because they have problems. Do we
have a standard?

Mr. Rapozo: We have a two hundred (200) pound in Waimea. So we are going to keep this older one in case something happens at Waimea.

Council Chair Rapozo: I would just assume that each pool get one.

Mr. Rapozo: We could. We have not seen the need for it in Waimea right now. What we have in Waimea works okay for the people that are going to the Waimea pool, but obviously, if we have the users that we see in Kapa'a, we will look into that.

Council Chair Rapozo: Okay. Are there any other questions? If not, thank you. Is there any public testimony? Mr. Sykos and then Mr. Bernabe.

Mr. Sykos: For the record, Lonnie Sykos. I want to thank you, Council Chair Rapozo, for your comments because when I was looking at this online, the first thing that came to my mind is why are they doing this now at the end of the fiscal year? I agree with Council Chair Rapozo's comments. This is not the way to run a railroad. This is a horrible financial policy for the County. We hope that through the budget process, the Council will be able to come to an agreement with the Administration about the propriety of doing things like this. One of the questions that I have is what are the ADA requirements for this? Are there requirements for how many pounds? Are we in compliance is what I am asking. Is a single lift enough? I would imagine the single lift is, but these are the kind of questions that should be asked before we spend our money.

In regards to the lift that is going to be removed and stored, where are we going to store it a because I constantly have heard through the years that the County is out of space, that we do not have room for our records, and that we are running out of space for the Transportation Agency for the ability to repair vehicles and storing our buses. Where is this going to be kept? It has at least an electric motor and some activators. I do not know about the electronics or not, but where will it be stored to protect that from environmental damage as it sits there? I am just trying to save my tax money as well as the rest of the public's, and yours as well. Thank you very much

MATTHEW BERNABE: Good morning. Matt Bernabe, for the record. I agree with everybody's comments on this issue, even the Administration's. I am handicapped, but I can get in and out of a pool, the ocean, and what not, but soon, I will not be able to be. I have seen these machines in other pools. With that said, I am going to go a little different route. I would like to know the life span of the current machine, I would like to know what the service regiment is, who services it, and what is the future plan of maintenance for this machine as well as the machine that they are going to store because even if it is a hydraulic lift, there is an electrical component to it. Bearings, and all kinds of things. This is a machine, and all machines need some kind of planned scheduled maintenance. Before we award them any money, I think a conciliation prize should be that they come forth with the existing plans, show

us all of that data, and then the projected plan for this up-and-coming investment. With that said, I support this machine. I might need it soon at the rate I am going. But with all that set aside, I really want to see and hear not just this machine, but I want to see all of our inventory have this kind of aggressive oversight. With that said, it is your decision. Thank you very much.

Council Chair Rapozo: Anyone else wishing to testify?

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Rapozo: Is there further discussion? Councilmember Chock.

Councilmember Chock: I am going to have to agree with the comments made by Council Chair Rapozo. I support the need. It is definitely in these two (2) items coming up. I think that certainly we do need things. We are behind schedule on many, but I do not support the practice. I question the financial policy that we are supporting unwillingly, really. I think unbudgeted funds should be placed into new budget requests. I am not sure how I feel about this. I think this is a larger discussion and question that we need to tackle as a Council moving forward.

Council Chair Rapozo: Councilmember Yukimura.

Councilmember Yukimura: I have a question. Are these items in the new budget that came to us on March 15th?

Council Chair Rapozo: No.

Councilmember Yukimura: Okay, so they are not. Can the Administration tell us if they were thinking strategically and are putting them in the supplemental budget just in case the Council does not approve?

Council Chair Rapozo: I cannot speak for the Administration. But like I said, they have two (2) more days to put it in.

Councilmember Yukimura: The other way is, as we are considering the supplemental budget, if it is not there, we can assess it in terms of all the other priorities and add it in if it is in our judgment, a top priority vis-à-vis all the other requests?

Council Chair Rapozo: Correct.

Councilmember Yukimura: We could either defer this until after the budget to sort of send the message that we prefer a more orderly budgetary process, or we could deny it, or we could approve it today. Those are our choices.

Council Chair Rapozo: If you defer it, you are not sending any message. If you receive it and kill it, you send the message. We keep talking about that. All year long we talk about that, and then we have opportunities to basically utilize the oversight that we are granted. I think Councilmember Chock said it best, it is really the practice. Of course we all support this equipment, but we are a month away from the new budget. One (1) month. I do not feel that we are doing our job saying, "Okay, do not do it the next time" because we do that every year. Next year, put it in the regular budget, but we put it in every year. We approve, we approve, and we approve 5:2 or 6:1 vote, but it gets approved. If you want to send a message, that is how you set policy. We say "No, put it in your supplemental budget. Take the money from somewhere else in the budget to balance it, and then we will have the discussion when we have the budget decision-making." This is a tactic, I guess, is what I am trying to say. It is a strategic tactic by administrations in all of the Counties to spend the excess money before the end of the fiscal year, which I can see six (6) to eight (8) months ago. Hey, there is a need, but when we are one (1) month away or two (2) months away from budget and now we find this need. I think if we want to send the message, we send the real message. The real message is no, you are not spending any more money this year that is not budgeted.

Councilmember Yukimura: Chair, is that your recommendation?

Council Chair Rapozo: That is how I am going vote. Councilmember Kagawa.

Councilmember Yukimura: Okay. Thank you.

Councilmember Kagawa: I think we are trying to fix a problem that is recurring year after year after year. Every year we have our Certified Public Accountants (CPAs) audit our financial statements, and they come up with a number at the end as to what is the amount of lapse or amount of excess in the budget compared to how much expenses were spent. We just checked the number that was audited by the CPAs, and it was thirteen million nine hundred thousand dollars (\$13,900,000) last year. There was thirteen million nine hundred thousand dollars (\$13,900,000) excess in the budget that was not spent. In previous years, it has always been ten million dollars (\$10,000,000) to twelve million dollars (\$12,000,000). I think more importantly, we have to look at what is the need and usefulness of having that piece of equipment. I think for us to determine from the legislative side whether or not Lenny Rapozo is truthfully telling us that there is currently a need for that equipment for people over three hundred (300) pounds, I cannot second guess his request. I think if there is a need, there is a need and there is a liability associated with that piece of equipment should it break and somebody get hurt. I think it would be foolish for us to deny it just to make a point today. I think there are certainly a lot more other issues that I have with other pieces of equipment that we have purchased, such as the brusher that was bought for the bike and walking path that has not been used and is sitting there at Vidinha Stadium. I think when we purchase a piece of equipment, the main thing we have to look at is it

useful? Are we using it? Is it going to serve a purpose that the taxpayers demand and keeps us out of liability, such as this piece of equipment? While wholeheartedly I agree with Council Chair on this request, I think the vote against it would be going against what I feel is the real issue is. Is this piece of equipment needed at this time? I think if there are people over three hundred (300) pounds using it, it is needed. My vote will be yes. Thank you.

Council Chair Rapozo: Are there any other comments? I would say...go ahead.

Councilmember Kualii: Council Chair Rapozo, I just appreciate your comments right from the top, that points out exactly what I was feeling when I read this item to begin with. I do believe that from what we have seen that it is worthwhile and that it should be in the next budget, and if the Administration agrees with that, then within the next couple of days, they should put this in the budget. I feel that way about this item, but not necessarily about the next item. They both are utilizing the same process. When it comes to the budget, we are not doing our job as far as making cuts and being more efficient. We have to balance that with where we find money to maintain our roads. Most of us do not want to increase taxes of any kind. So we have to be more precise and surgical with the expense side, and that even means down to the level of ten thousand dollar (\$10,000) and twenty thousand dollar (\$20,000) expenditures. I agree with you and I am not supporting any budget additions to spend money in this year's budget that should be in next year's budget. I did not hear an emergency call of any kind. This is something that would improve our services, but I would think it can wait a month or two (2).

Council Chair Rapozo: Councilmember Kaneshiro.

Councilmember Kaneshiro: I am kind of under the same impression also. It is getting close to the end of the year. We do still look at is this a need and how strong is the need? I think with this particular item, we have been doing okay with it so far. There is obviously a need for some people, but I think this is an item that is not an item that needs to be done right this second. It has been working the whole time prior. Again, this is an item that could go in the budget for next year and it can be done right way in July if it is in the budget. Yes, I do get hesitant when we get a lot of budget items coming in at the end of the year, and I think I would be a little more sympathetic if these were budget items that are in the current budget, and they are saying "we have the extra money, we are going push this item up that we had in the budget. It was a need there, but because we have the money we are going to push it in this budget." I would be a little more sympathetic with that, but when we get items that pop up that were not in the budget and they are kind of saying "we need it now, but it was not in the budget," I am kind of hesitant. It is not to say I am going to say no to everything, but I am going to look at each individual item and try to determine if it is something account wait for the next budget and should it be in the next budget. I think for this particular item, it can wait. We have been using it this long. I really do think it is something that should be there if there is a need for it, but I think the money should come in the next budget.

Council Chair Rapozo:

Councilmember Hooser.

Councilmember Hooser: A lot of good points have been raised around the table. What comes to my mind is the term consistency. I do not believe this Council has been consistent in looking at this question about last minute. One could argue that last minute requests for funds like this rather than waiting until a new budget. A few weeks ago, I think we approved eight hundred thousand dollars (\$800,000) for police cars and a bunch of other things that one could argue should have been put in the budget as well. I think it bears some thoughtful consideration as to what our ongoing policy would be if we are going to say no to everything or draw a line in sand and say, "Okay, from this point forward, everything has to be in the new budget." That is probably something in retrospect that we could have done. We have another item following this item that is also looking for funding. In looking at this particular one, it is relatively small amount of money, thirteen thousand dollars (\$13,000), to help disabled people get in and out of the swimming pool. I am not going to personally make that my line in the sand to fight the good fight about proper budgeting. I trust it has been a well-thought out decision that we need it, and that we can afford it even though I agree that these items should be in the budget that we are going to be voting on in the next couple of weeks. Thank you.

Council Chair Rapozo: Are there anymore comments? If not, I just have a couple. First of all, liability, as Councilmember Kagawa talked about, we should be putting anybody over the limit on the existing machine. Obviously, we should not be doing that. To address some of the comments, the Police Department eight hundred thousand dollars (\$800,000), they had in the future budget and they had the extra money. So they were just moving it so they could get it sooner. It was not a pop up, oh, do you know what? We want eight hundred thousand dollars (\$800,000) more in addition to what we are asking in the future budget. This is different. Again, if this was six (6) or eight (8) months ago, I would be inclined to support it. If there was a need at that point and some constituents, or residents, or visitors that needed the use of this new equipment and it was eight (8) months ago, that is a different story. But we are like I said, we are two (2) days away from the supplemental budget and a couple of months away from the new fiscal year. The money, to me, is irrelevant whether it is thirteen thousand dollars (\$13,000), or one dollar (\$1), or one hundred thousand dollars (\$100,000), or two hundred thousand dollars (\$200,000). It is the practice, as Councilmember Chock talks about. It is the practice. I think it should be the policy of this body that unless it is an emergency, then it can wait. It can wait. That is my position, and that is my position on all of these requests because we are so close. With that, the motion is to approve. Roll call.

The motion to approve C 2016-113 was then put, and failed by the following vote:

| | | |
|-----------------------|-------------------------------------|------------|
| FOR APPROVAL: | Hooser, Kagawa | TOTAL – 2, |
| AGAINST APPROVAL: | Chock, Kaneshiro, Kualii, Yukimura, | |
| | Rapozo | TOTAL – 5, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0, |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

Ms. Fountain-Tanigawa:

Motion fails.

Council Chair Rapozo: We need a motion to receive now.

Councilmember Kualii moved to receive C 2016-113 for the record, seconded by Councilmember Kaneshiro.

Council Chair Rapozo: Is there further discussion?

The motion to receive C 2016-113 for the record, was then put and unanimously carried.

Council Chair Rapozo: Motion carried. Next item.

C 2016-114 Communication (04/14/2016) from the Acting County Engineer, requesting Council approval of an unbudgeted equipment purchase using anticipated savings in the Department of Public Works, Solid Waste Division's Operating Budget of a flatbed lift gate truck with an extended cab, at an estimated cost of \$70,000, to provide the capability and sufficient hauling capacity to transport labor, multiple refuse carts, et cetera for various refuse collection operation tasks in the Hā'ena to Kekaha areas: Councilmember Kualii moved to receive C 2016-114 for the record, seconded by Councilmember Yukimura.

Council Chair Rapozo: Is there any discussion?

Councilmember Kagawa: I have a question.

Council Chair Rapozo: Councilmember Kagawa.

Councilmember Kagawa: I have a question for Lenny.

Council Chair Rapozo: I will supposed the rules.

Councilmember Kagawa: Not Lenny. I have a question for Lyle. I am sorry.

There being no objections, the rules were suspended.

Mr. Tabata: Councilmembers, Lyle Tabata, Acting County Engineer.

Councilmember Kagawa: My question is what are we currently using to perform these tasks? It looks like we are going to use this large flatbed lift gate truck with an extended cab to provide the capability and hauling capacity to transport labor, multiple refuse carts, et cetera.

Mr. Tabata: Thank you.

Councilmember Kagawa: What are we using now? Say this person wants to change from the small cart to the larger cart, what do we use now to perform that task?

Mr. Tabata: Thank you for the question. Just to begin with, this was proposed to be in the upcoming budget, but because we made savings in the Solid Waste Division and the need is now, we are asking to spend this money. Right now, we are presently using a standard half ton pickup truck and we are finding that it does not have enough capacity to help carry a laborer. In part of the reorganization of moving the refuse operation into the Solid Waste Division, we converted positions of the refuse workers who were transported behind the refuse trucks to load because it is automated now. We had that pool available and we converted those positions into what we called Solid Waste Worker I's. The Solid Waste Worker I's are a pool of laborers that we have available to us now to assist in, as you mentioned, the cart swap outs. In addition, other departments have been coming to us asking us for assistance, which normally they performed on their own. One of them is the bus system, the Transportation Agency. They used to have utility workers who took care of the maintenance of their bus stops. Because the Solid Waste Division did the reorganization, we assumed the responsibility of trash pickup. So all of the trash containers at the various bus stops around the island that are not serviced by a private or a volunteer group, the Solid Waste Division has assumed that responsibility. So because of that increase of need, the present pickup truck became inappropriate. We are asking for this flatbed with a cab so that the solid waste workers can ride with the supervisor.

Councilmember Kagawa: Where would the efficiency be improved? Would a larger capacity hold more rubbish? Can you make shorter trips, save gas, and save labor time?

Mr. Tabata: But we are also going to be able to carry the laborer. Right now, we are limited in cab space, and with the laws today, you cannot have people in the back of the pickup truck. They have to be secured in the cab.

Councilmember Kagawa: How many laborers can be carried in this new pickup truck?

Mr. Tabata: Four (4) with a supervisor.

Councilmember Kagawa: So five (5) people?

Mr. Tabata: Five (5) people total.

Councilmember Kagawa: How much can the current trucks can carry?

Mr. Tabata: Only three (3) maximum.

- Councilmember Kagawa: Three (3)?
- Mr. Tabata: Yes, because it is a single cab. It is not an extended cab.
- Councilmember Kagawa: Single cab with the extended bed?
- Mr. Tabata: Yes.
- Councilmember Kagawa: Okay. Alright.
- Mr. Tabata: We do not even have an extended bed. It is just a standard pickup truck that we are using right now.
- Councilmember Kagawa: I mean, when you have an extended cab like a four (4) door, you have a longer bed, right?
- Mr. Tabata: Yes.
- Councilmember Kagawa: So with the single cab, you have a normal sized bed as we used to have?
- Mr. Tabata: Right, but this is a F-350 size, and it is going to have the extended flat bed on it. It is not a shorter bed.
- Councilmember Kagawa: I have one (1) more follow-up. If we say full sized carts, approximately how many full sized carts would be delivered on a truck like that? Twenty (20)? Ten (10)?
- Mr. Tabata: I have data here. Because they fit one (1) into the other, we can carry up to twenty (20) in the flatbed, yes.
- Councilmember Kagawa: Thank you, Council Chair Rapozo.
- Mr. Tabata: With the pickup truck, we are limited to maybe about four (4).
- Councilmember Kagawa: Okay.
- Council Chair Rapozo: Thank you. Councilmember Yukimura.
- Councilmember Yukimura: How many workers does it take to service a bus stop?
- Mr. Tabata: Right now, we have been using three (3) people to go with the supervisor.

Councilmember Yukimura: Is that their sole responsibility?

Mr. Tabata: No, they do other various duties. They try to make it be part of the rounds that say if they have carts to swap out in this district, they will also take care of that and pick up the bus stop at the same time.

Councilmember Yukimura: Okay. Are you cost-accounting this to the Transportation Agency? I love the interdepartmental work.

Mr. Tabata: Not at this time.

Councilmember Yukimura: That is what I hope will happen even with the County facilities management. I think that is one way it could happen. I know this is a new function.

Mr. Tabata: Yes.

Councilmember Yukimura: Now that we have bus shelters coming up.

(Councilmember Kagawa was noted as not present.)

Councilmember Yukimura: Okay. But you see that as the most efficient? You have four (4) people stopping...

Mr. Tabata: Well, that is not their sole function of the day.

Councilmember Yukimura: Okay. Alright, and presumably it takes only about five (5) minutes to get the trash picked up?

Mr. Tabata: It depends. Hopefully those stations are using the thirty-five (35) gallon cans, and there are bags, still. If people let the bag fall in, so then they are going to have to transfer, then re-bag, so forth, and load.

Councilmember Yukimura: Okay. Thank you.

Mr. Tabata: Yes.

Councilmember Yukimura: Oh, is this in the new budget?

Mr. Tabata: We had proposed it, but because we are seeing a savings to balance next year's budget, we were asked to see if we could fit it in the savings that we had this year, and we put it together to send the resolution now.

Councilmember Yukimura: Okay. Thank you.

Council Chair Rapozo: It was not in the March 15th submittal though?

Mr. Tabata: We were asked to remove it, and accelerated it so that we could lower the cost for next year.

Council Chair Rapozo: By the Administration?

Mr. Tabata: Yes. Ken is here.

Council Chair Rapozo: Councilmember Kaneshiro

Councilmember Kagawa: It says we also had to rely on truck rentals to do that.

Mr. Tabata: Previously, when we did the original distribution of carts if we had this on our own. We were borrowing from the Department of Parks & Recreation. The Department of Parks & Recreation has a flatbed and trailers. We had various departments in the County assisting us to do the original implementation.

Councilmember Kaneshiro: Oh, but for the regular operations, do you have to rent the vehicles?

Mr. Tabata: Right now, I cut that out. We are just using the pickup truck trying to control our costs.

Councilmember Kaneshiro: Okay. Will you ask the Department of Parks & Recreation to borrow the truck when they have one available?

Mr. Tabata: Yes. When it is available is the key.

Councilmember Kaneshiro: When it is not available, we are using our regular pickup truck, and it slows down productivity?

Mr. Tabata: Right.

Councilmember Kaneshiro: Okay. Thank you.

Council Chair Rapozo: Real quick. The initial dispersal of cans where obviously every household got one, but how often do you fill up trucks now with twenty (20) cans to go take? I am assuming most of them...

Mr. Tabata: We have people call us for various reasons, which range from new additional service because people are finding out it is not a bad

thing, it is more efficient, and it is better than me going to take my trash to the transfer stations every week. People are upsizing.

Council Chair Rapozo: I guess the question is how often?

Mr. Tabata: In the last five (5) months one hundred fifty (150) for new service; upsizing was nineteen (19), on the flipside people saying “No, I do not want service,” was about ninety (90), then switching carts between sizes down was one hundred fifty-six (156), and maintenance was ninety-nine (99).

Council Chair Rapozo: I guess my question is how often?

Mr. Tabata: Two hundred forty-one (241) total.

Council Chair Rapozo: I understand. How often do you require to take twenty (20) cans all at once is what the question is because that is island-wide, right? The numbers you are giving me is island-wide, not just where this truck would service.

Mr. Tabata: Yes. Well, I have it broken down Hanalei district, Kapa‘a, Līhu‘e, Kalāheo, and Waimea.

Council Chair Rapozo: Right. The dumb question is where this truck will service, how often do you need a flatbed that can accommodate twenty (20) barrels at once? Not too often. I just did the math with the numbers you gave me island-wide.

Mr. Tabata: Yes. Daily, I cannot answer that right now.

Council Chair Rapozo: Yes. I think the numbers tell the story. Then the other question is a follow-up on Councilmember Kaneshiro’s is the rentals. Are you doing rentals anymore?

Mr. Tabata: No.

Council Chair Rapozo: Rentals was only for the initial distribution.

Mr. Tabata: Yes.

Council Chair Rapozo: So whether you get this truck or not, you are not going to be forced to rent trucks because you do not get this one, correct?

Mr. Tabata: Right.

Council Chair Rapozo: Yes.

Mr. Tabata: We have the issue that if I do not have this extra cab, I am going to have to send two (2) trucks out, which I do not have. I only have one (1).

Council Chair Rapozo: Right. What I am saying is if you do not have the trucks, a two (2) month delay is not going to cause you that much headache or heartache. I understand the Administration told you to buy it now. My question is the first budget submittal is March 15th, that is when it was due here. So your budget discussions occur when? When does it start? January?

Mr. Tabata: We start in January, yes.

Council Chair Rapozo: Okay. If the Administration said, "Hey, put it in now," why is the request coming two (2) days before the supplemental budget? Why did it not come when the Administration told you, "Lyle, I do not want you to put it in this upcoming budget. I want you to buy it now." Why did we not see that request back then?

Mr. Tabata: Well, I have no excuse for that.

Council Chair Rapozo: That is why it is very difficult for me to support these last minute "bam bam," try buy what we can now. I just have a hard time. Councilmember Chock. Anyone else? Councilmember Yukimura.

Councilmember Yukimura: Lyle, the statistics you gave were very interesting. How much of it do you think is still the adjustment since we gone out with the new solid waste containers?

Mr. Tabata: One hundred-six (156). We have been averaging twenty (20) cans a month is what it looks like.

Councilmember Yukimura: Well, you have the upsizing.

Mr. Tabata: And downsizing.

Councilmember Yukimura: The downsizing, the no, we do not want, we want. Now we are taking it to the dump and now we want to have household service, right?

Mr. Tabata: Yes.

Councilmember Yukimura: So of that total amount...

Mr. Tabata: The total usage is for everything per month is...well, March was sixty-six (66), February was fifty-two (52), January was fifty (50), and December was seventy-three (73).

Councilmember Yukimura: Do you see any trend?

Mr. Tabata: It looks like it is a seesaw right now.

Councilmember Yukimura: Okay. I am just wondering what it will be like when it all settles out, if it settles out. I do not know.

Mr. Tabata: We can follow that up with another communication later.

Councilmember Yukimura: Alright, but that would give us some indication of how much you need this truck, too.

Mr. Tabata: When we prepared this, it was in preparation for our budget submittal. So that is why the data stopped in March.

Councilmember Yukimura: Right. Okay. Yes, I would encourage you to keep the data monthly, so you can see what the trends are.

Mr. Tabata: Yes.

Councilmember Yukimura: Thank you.

Council Chair Rapozo: Councilmember Chock.

Councilmember Chock: Thank you. Thank you, Lyle. Timing wise, it does not seem like this is an emergency purchase or need as well.

Mr. Tabata: I agree.

Councilmember Chock: Is that correct?

Mr. Tabata: But we are going have to do some quick work to balance the budget again and find someplace to cut.

Councilmember Chock: Absolutely. Is that possible is my question?

Mr. Tabata: I am going to have to pound it.

Councilmember Chock: Thank you.

Council Chair Rapozo: I think, the Department of Finance is here. You are basically taking it out of the unexpended whatever you call it now, whatever the surplus is, you are just transferring it over. So the surplus of the unexpended goes down and the budget goes up. That is how you do it, but I do not think it is fair to show up, and this is really for the Administration, Lyle, because it appears that

you tried to do it through your upcoming budget. This is not on you, but to have the Administration come up a couple of days before the supplemental budget just expecting Council to say "yes." Again, it is not intended for you, Lyle.

Mr. Tabata: Well, we could have done better when we were told to get this out. Yes.

Council Chair Rapozo: What truck are you using now? How old is that?

Mr. Tabata: That truck then gets repurposed back to its original intended use to support our refuse transfer stations operations. Right now, the supervisors is take a pool vehicle to go out and do his rounds, but it is not practical because it is a vehicle versus a pickup truck. We have determined that the refuse operations is a higher need right now for the pickup truck.

Council Chair Rapozo: Thank you. Any other questions for Lyle? If not, thank you, Lyle.

Mr. Tabata: Thank you.

Council Chair Rapozo: Is there anybody in the audience wishing to testify? Matt.

Ms. Fountain-Tanigawa: Chair, we have...

Council Chair Rapozo: Oh, I am sorry. We have registered speaker. Can I have the first registered speaker?

Ms. Fountain-Tanigawa: The first registers speaker is Lonnie Sykos, followed by Matt Bernabe.

Mr. Sykos: Good morning, Council. For the record, Lonnie Sykos. Well, my sympathy for Lyle for getting thrown under the bus by the Administration for this fiscal nonsense here. Truck rentals, how many rentals can we get for seventy thousand dollars (\$70,000)? How long is this truck intended to last? How many times is it going to be used because we have to have a vehicle that size versus we use the vehicle because it is in the motor pool? I am not arguing against buying the vehicle, but I am against buying it today under this budget mismanagement that is going on. Secondly, within the Solid Waste Division, we are once again back to the reality that we lose hundreds of thousands of dollars. Over a two (2) year period, we lose over one million dollars (\$1,000,000) in overtime that is unanticipated and uncontrolled. Why are we going spend seventy thousand dollars (\$70,000) out of our tax revenue to purpose this truck instead of than recovering the seventy thousand dollars (\$70,000) out of poor management practices that the County is engaged in that is costing us so much money? Our Director of

Human Resources has told us that we do not have written policies and we do not have written procedures. That is why we are unable to control overtime and other expenses. As a member of the public, my response is no, I do not want my taxes going up until the County deals with the waste, fraud, and abuse that has been well-identified and commented upon by this County Council. This is bad budgeting policy. This is bad fiscal policy. We have the ability to recapture the money by restructuring by modernizing our operations. As a member of the public, no, we do not want to spend this money right now. It should go into the budget, be handled properly, and instead of raising our taxes, we should be recovering the waste that occurs within our system. That is all this talk about green, green, and green. The greenest thing you can do is end waste, fraud, and abuse within our budgetary process. Thank you.

Council Chair Rapozo: Mr. Bernabe. Let me just take the public and then we will call you back up, Lyle. Thank you. Matt. Maybe I should call you up, so Mr. Bernabe does not...hang on Matt. Let me bring up Lyle real quick.

Mr. Tabata: Sorry, my office just informed me that we haul twenty (20) bins at least three (3) days a week doing exchanges and maintenance, and the maintenance is growing.

Council Chair Rapozo: In this service area?

Mr. Tabata: Yes.

Council Chair Rapozo: Thank you, Lyle. Go ahead.

Councilmember Yukimura: What do you mean by maintenance?

Mr. Tabata: The carts that have been distributed say two (2) years ago, they need repair on wheel, we are bringing them, and swapping them out because people fill the carts without the bags. So there is material that gets built up. We have to bring them in, rinse them out, clean them, and then we redistribute instead of the community washing it themselves. It becomes a problem with our trucks and so forth. So we do maintenance on some of them that we do identify.

Councilmember Yukimura: Okay. I mean, I kind of feel like it should be the responsibility of the homeowner to clean out their cart that, but we have to do that?

Mr. Tabata: We have been.

Councilmember Yukimura: Why are we doing that?

Mr. Tabata: Good question.

Council Chair Rapozo: That needs to stop. I am sorry, public, clean your own barrels. I thought when we had the memorandum with the tag that came with them...

Mr. Tabata: Many of the times when we do swap outs, we do the cleaning.

Council Chair Rapozo: I would not do the swap out until they clean them. I thought, in fact, that was really highlighted on the brochure that came with the barrel.

Mr. Tabata: Yes.

Council Chair Rapozo: That you clean your own and teach them how to clean it.

Mr. Tabata: I clean my own.

Council Chair Rapozo: Yes, me too.

Councilmember Yukimura: I think we all do.

Council Chair Rapozo: I do not think we should clean anybody's barrel. I really do not. That is really horrific.

Councilmember Yukimura: Yes. I think there needs to be management review of the situation and some better policies and practices put in place.

Mr. Tabata: Thank you.

Councilmember Yukimura: Thank you.

Council Chair Rapozo: Lyle, can you give me the numbers that you gave me earlier, the island-wide numbers and the period where the numbers came from?

Mr. Tabata: Okay.

Councilmember Yukimura: Maybe you could just make copies.

Mr. Tabata: They were in the attachment, but they were March, February, January, back to December.

Council Chair Rapozo: So that is four (4) months?

Mr. Tabata: Yes, prior to our submittal. New and additional total was one hundred fifty (150), and you can see for each district. Upsizing was nineteen (19), end of service was ninety-four (94), switches was one hundred fifty-six (156), and retrievals was ninety-nine (99). Then on the bottom it says damaged, missed, replacement, and the totals per month. So it is a total of seven hundred fifty-nine (759) for that four (4) month period.

Council Chair Rapozo: Right, is that seven hundred fifty-nine (759) total for the entire island?

Mr. Tabata: For the island, swap outs for whatever reason, maintenance, and things like that.

Council Chair Rapozo: But the Hanalei area, which is where this truck would service, is ninety-seven (97)?

Mr. Tabata: It would service from the end of Hanalei all the way to Kekaha.

Council Chair Rapozo: This truck?

Mr. Tabata: Yes, this truck. This is for the supervisor to go and make the swap outs with his men.

Council Chair Rapozo: So seven hundred fifty-nine (759) for four (4) months?

Mr. Tabata: Yes.

Council Chair Rapozo: Okay. The numbers you just gave me, if they are doing twenty (20) cans three (3) times a week, that comes out to three thousand one hundred twenty (3,120) cans, but your number is seven hundred fifty-nine (759) would be substantially less.

Mr. Tabata: That is his best estimate of what is going on.

Council Chair Rapozo: Alright. Thank you very much. Are there any other questions for Lyle? If not, Matt.

Mr. Bernabe: Matt Bernabe for the record. I am glad you pointed out that mathematical problem because I actually did it in the back myself. I would like to talk about the testimony we just heard. It is such evidence that we need to instill industry standards from the Department of Human Resources to some of the dysfunctional departments. I talk to a lot of workers since I have come to the public. They come to me, not many of them want their names told. I have met some that do not care and want their names told, but one thing I saw when I was dumping

rubbish recently was we had a broken scoop loader backhoe sitting there, then we had another one broken, and a big pile of green waste right in Kapa'a. This was a week ago. It was not that long ago. Just listening to everybody, I figured out what was going on. The fragmentation of the department's oversight and overlay, as these people are talking about doing the trash for the buses, come on. I do not even see that many bus stops with rubbish cans, first of all. The point that I am trying make is that their machine was broken because they have somebody else using them or whatever it is, and then they borrow another machine. Then they actually have friction between the people. This is coming from the workers. This is the people that I talk to that do not want their name known, but there is a human factor that you send a person to scoop rubbish and their boss tells them what to do.

(Councilmember Kagawa was noted as present.)

Mr. Bernabe: They get the job done within an hour, but they are sitting there for a couple more hours. When the people at refuse tell them, "Can you do this," they say, "No, my boss said only this." That is a problem of this kind of overlay from departments in doing this and doing that. It looks good on paper, but that is why we are not functioning. They need clear guidelines. As far as this agenda item, this is way less controversial than the ADA lift, and you folks should shut this down 7:0 and send a clear message to the Administration about balancing their budget correctly. I am not against the truck, but as you have already pointed out, I do not have beat the argument up. This is not how it is done. Let us function correctly and hold the standard higher. Let us make them meet that standard. 7:0, unanimous.

Council Chair Rapozo: Anyone else wishing to testify? Mr. Hart. Is that the last registered speaker? Mr. Hart.

BRUCE HART: For the record, Bruce Hart. No, not now. Thank you.

Council Chair Rapozo: Anyone else for the first time? If not, Mr. Sykos.

Mr. Sykos: For the record, Lonnie Sykos. Dear County Council, please get Lyle back up here and ask him what individual in the Administration instructed him to do this and why. What was the Administration's rationale when they told him to come up here and do this? That is how you get to the heart of what the problem is and understand the fiscal philosophy that you are struggling against. How many people does it take to swap a cart out? I move mine by myself all the time. How many human beings does it take to get a cart into the back of the truck? Five (5), because that is what we are doing. We are buying a truck to haul five (5) people around. Does it take five (5) people to roll an egg, because that is basically what this is? Also, how come you can stack the garbage carts in the flatbed, but you cannot in the pickup truck? They just told us the pickup truck can

only hold four (4) carts, but you can put twenty (20) carts in the flatbed. What is up with that? How come you cannot stack the carts inside the pickup truck, not that I am arguing against the larger vehicle? What I am pointing out that the testimony that the Administration supplies us does not make sense. It is a bunch of talking points to justify trying to spend this money at the very end of the budget process. Please, just say no.

(Councilmember Hooser was noted as not present.)

Council Chair Rapozo: Anyone else wishing to speak for a second time? If not, I will call the meeting back to order.

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Rapozo: Is there further discussion? The motion was to receive. Any further discussion? Councilmember Kagawa.

Councilmember Kagawa: Again, this comes down to budgeting, yes. Thirteen million nine hundred thousand dollars (\$13,900,000) lapsed this year. If we deny all of these requests, we have fourteen million one hundred thousand dollars (\$14,100,000) or whatever million lapsing next year if we get the same amount that we have gotten year after year lapsing. I think what it comes down to again, is the truck needed for efficiency or not? I think meeting every Wednesday and sitting at this table to decide what is the most efficient way of accomplishing a task is micromanaging. I certainly can picture where it is more efficient. If we have one (1) truck going from Kapa'a baseyard up to Wailua Homesteads delivering all twenty (20) one (1) time delivering rather than a pickup truck going on five (5) different trips, wasting gas, and doing the same thing. Now we have one (1) truck servicing the whole island. How efficient is that? If that is efficiency to cut time, cut costs, cut wasted labor, and riding in a vehicle that can be accomplished one-fourth (1/4) of the time, is one (1) truck sufficient to accomplish delivering and swapping of our rubbish cans? Is one (1) truck sufficient to pick up all the rubbish at the bus stops that accumulate on the island? I do not know because I do not work for Lyle. I am not a manager or a worker in the Solid Waste Division. I do not know. It comes down to trust. Do we trust what he is saying as true, or is it just buying a piece of equipment that we hope will be efficient, and we will find out later after we buy it whether it is really being efficient? It is difficult one for me. I tend to side with Lyle on this one being that he actually works there. He runs and manages the department. Coming here every Wednesday, I do not know really what the Solid Waste Division is efficient and inefficient in doing. If I can make their job more efficient, then I think I have to support it. My vote is going to be against receipt, but I hear the concerns here around this table. I realize that we need to do more with less and we need to cut government waste. I realize that, but I think in some cases, we need to be supportive of gaining efficiency.

(Councilmember Hooser was noted as present.)

Councilmember Kagawa: In this case, I will take that side. I will try to gain efficiency and cut inefficiency by having less trips accomplish the same task. Thank you, Council Chair Rapozo.

Council Chair Rapozo: Any other comments? Councilmember Kualii.

Councilmember Kualii: I just want to say for me, the numbers do not really add up and the purchase is not completely justified. I will not support it today and I probably will not support it in the next budget unless you bring me the numbers and the proof that actually add up. Show me the need, explain to me what the operations are, and show me the numbers. Show me how many of this maintenance is washing versus repairing broken wheels. I would imagine it is pretty sturdy. It is a pretty good container. I know mine seems fine. The people are making the request, my wheel is broken, come and fix it, then you go get those, and you just switch them out. The numbers do not add up at this point. If the receipt is successful today, when you resubmit it in a couple of days, make sure you have good justification. Thank you.

Council Chair Rapozo: Anyone else? Councilmember Chock.

Councilmember Chock: Thank you, Council Chair Rapozo. I just want to say this has no reflection on the two (2) current requests that we have looked at today; however, I do not want to see this practice be taken to an abusive level, which we may very well or have in the past. I appreciate the previous comment about the consistency because it has been more of an eye-opening revelation, I guess, or a trend that I am starting to see. I just want us to be a little bit smarter on how we approach a policy directive such as this in the future. My hope is that we do see these requests in next two (2) days and that we can properly vet them as we have the rest of the budget items. I also agree with Council Vice Chair. It is difficult for us to presume what the needs are for the departments. This is purely about financial responsibility and how we look at managing this budget. Thank you.

Council Chair Rapozo: Councilmember Yukimura.

Councilmember Yukimura: Yes. When the Administration can answer our questions and convince me that whatever is being proposed has been thought out, I am very happy to approve it, and my trust in the Administration grows. But when answers are not available, then it does not feel comfortable to approve something. I really do not want to have this be a criticism of Mr. Tabata because he is the Acting County Engineer. He is not the Solid Waste Manager. I do not know why we do not have the Solid Waste Manager here, who oversees the daily operations of the Solid Waste Division. He should be the one who has figured out the problem and is also proposing the solution and can defend it. There is something that does not seem to

be right here, and I think that is why there are these questions in addition to this practice of coming in a month or two (2) before the new budget takes effect, to ask to use the leftover from the existing budget. There are several things at work here. I would like to ask the Mayor and the Administration to address this so that we can have confidence when we approve something or do not approve something, that we are doing it based on good information and good management.

Council Chair Rapozo: Councilmember Chock. I am sorry.
Councilmember Kaneshiro.

Councilmember Kaneshiro: This goes along the lines of previous one. It is uncomfortable to be approving larger ticket items at the end of the budget. I guess it really is like you need to sell us on it when it comes down to it. This late in the game, what are the efficiencies? How many time is it going to save the workers? How much more work can they do with the vehicle? How much costs are we going to be saving based on this amount of time saved? I think those are the justifications that we need to feel comfortable with these type of items. When I think about it, it is kind of hard to say what our budget policy is. We lapse money every year. Is that a good thing or a bad thing? You can argue either way. I think lapsing money is a good thing. That means that the department did not spend all the money they were anticipated to and the money that lapses goes into Unassigned Fund Balance. Does it mean that we are maybe we are budgeting too high? I do not know. When people start to come in and use this money that is lapsing, then it is kind of like, okay, wait. Did they put in extra gravy that they are not going to spend? It all comes down to what is you our policy? If our policy is to budget, have a lapse, and the lapse go into the Unassigned Fund Balance, I do not really see a problem with it. A request comes in late in the year, this is an emergency item, this is an item we need, this is the efficiencies, it is going to be in the next budget, we want to put it this budget, and we want to use our lapsed moneys. It is really a sale. You have to sell us on it. When I think about, we lapse money every year and I did not see a reduction in budgets either. We would probably have this lapse in next year's budget. Probably. Could we adjust it in next year's budget to accommodate a truck like this? I would think we probably could because we are lapsing money every year. It really is a sale. When you come in here, you really need to sell it. I am not comfortable approving it right now. If it gets put in the next budget, yes, we would like to see the numbers and justification. I think we are going to get a lot more criticism like that in the future as money is tight. I will be voting to receive.

Council Chair Rapozo: Any other comments? It is not the need. It is not about making the department more efficient because that is what we all strive to do. Two (2) months is not going to make it that much more efficient if we wait two (2) months because that is what the effect will be if the receipt passes. It has absolutely nothing to do with the need because we could make an argument that every department needs something. You could make that argument. It is the practice. If in fact this was so inefficient months ago, why did not the request come then? If it was such a burden on the department and it was causing all kinds of inefficiencies in

January, March, or whenever this occurred, why was the request not made at that point? If the intent was to put it in the budget for the next upcoming fiscal year, why would the recommendation be to not put it in next year? This request should have been here a long time ago. I am concerned that throughout the years, and granted I have been here from 2002-2008 and from 2012 to now and yes, we just basically rubber-stamped all of these things because we agreed there was a need. What does that do to the surplus? I will call it a surplus because that is what it is. Money that is not spent is a surplus. Government Accounting Standards Board (GASB) makes us call it something else. The surplus, as Councilmember Kagawa keeps talking about, what is the true surplus if we stuck to the budget, the budget that we approved, and only purchased things of an emergency situation and not things that hey, it is getting close to the end of the year, so whatever you need, submit your requests. What would the surplus be? Would it be fourteen million five hundred thousand dollars (\$14,500,000)? Would it be fifteen million dollars (\$15,000,000)? Would it be sixteen million dollars (\$16,000,000)? I do not know because we keep taking off the unexpended moneys throughout the budget year. This is how you determine policy as a body like this. You have to start sending the message, and I do not know how else to do it besides say, "Wait another month, wait two (2) more months, put it in supplemental, and we can have the discussion. We can properly vet it out like we do with all the other items in the budget." I am not sure if the Administration has any ideas of sending more things up before the next budget. Please, if there are other purchases that you feel you need, I suggest you put it in the supplemental budget for Friday because it may not be that simple once we go through our decision-making. With that, the motion is to receive.

The motion to receive C 2016-114 for the record was then put, and carried by a vote of 6:1 (*Councilmember Kagawa voting no*).

Council Chair Rapozo: 6:1. Thank you. Next item, please.

C 2016-115 Communication (04/28/2016) from Councilmember Yukimura, transmitting for Council consideration, a proposal to amend the County fuel tax rate by two cents (2¢) effective July 1, 2016, and an additional two cents (2¢) effective July 1, 2017.

Council Chair Rapozo: Can I get a motion to receive?

Councilmember Yukimura moved to receive C 2016-115 for the record, seconded by Councilmember Kagawa.

Council Chair Rapozo: Thank you.

Ms. Fountain-Tanigawa: Chair, we have registered speakers that would like to speak.

Council Chair Rapozo:
address...

Councilmember Yukimura, did you want to

Councilmember Yukimura: May I say a few things?

Council Chair Rapozo: Sure.

Councilmember Yukimura: Thank you. This Communication is a cover letter for a bill that would increase the fuel tax. The next Communication is a cover letter for a bill that would increase the vehicle weight tax. I am sure many are asking why are you introducing this again so soon because as you know, similar bills were rejected on first reading a couple of months ago? What I want to say is this is not the same bill as was previously introduced. Instead of a seventeen cents (\$0.17) per gallon on fuel tax, this is proposing a two cent (\$0.02) per gallon in this year and then a two cent (\$0.02) per gallon in the next year. The vehicle weight bill is to address basically what was Council Chair Rapozo's objections to the first two (2) set of bills where he pointed out correctly, that the combination of taxes discriminated against the lighter cars and let off the heavy and bigger cars.

The reasons these are both being introduced together is to give us options for different combinations so that we can try to find a fair bill. The reason I am introducing this again is that we cannot not repair our roads. Our roads are the infrastructure that we need, our community needs, to function on a daily basis. We cannot ignore it because it gets worse and more expensive to fix the longer we put off fixing our roads. If we do not address the problem, we will be kicking a one hundred million dollar (\$100,000,000) deficit to the next generation. It is a horrible legacy to give down when we should actually be giving a better future to our kids. The other reason I am introducing it is because the State Legislature has scaled the proposal to raise State fuel tax and State vehicle weight tax. Now is the window when gas prices are less than one dollar and fifty cents (\$1.50) than they were two (2) years ago. Now is the window to begin on a very small basis, to get some money pooled. This is our money that we can use to pay for repair of our roads instead of giving it to Saudi Arabia and Indonesia, which will be doing when the gas price goes up next. Then we will not even have a chance. This is a window that I think we should take advantage of.

I know there is this sense of no more taxes, but I urge my colleagues and the public to look at the actual impact of this proposal because for the average car, it is less than two dollars (\$2) a month for fuel tax increase because fifteen (15) gallons a week at two cents (\$0.02) a gallon is thirty cents (\$0.30), right? It is not that much and yet we can make some headway on repairing our roads. Now if you add it to the vehicle weight tax, I think we are looking at forty-four dollars (\$44) for a Ford Explorer, forty-three dollars (\$43) for a Toyota Tacoma, and thirty-three dollars (\$33) for a Honda Accord a year. That is for a year. We are talking about a total impact on a small car of about five dollars (\$5) a month increase. If we do not pay it now in this small form, we are going to pay it in car repairs. If we let our roads get to the

extent that the City and County of Honolulu did, and those of you who visit Honolulu have seen how bad their roads are, we are going to pay anyway. I ask that we at least go to public hearing and look at the numbers really closely before we reject this option. If there are other suggestions about how we can raise the money to fix our roads, I am really open to it, but I have not seen any other proposal yet. I feel we have a responsibility to address this issue. So that is why, Council Chair Rapozo and Members of the Council, I have reintroduced this Bill. I just ask that we have a thorough vetting. If at the end you decide to reject it, so be it, but at least let us have the discussion because this is a very important issue. Good well-working infrastructure, especially roads, is really important to how this community grows economically and also to how we live our lives on a daily basis.

Council Chair Rapozo: Thank you. I just have one (1) question, Councilmember Yukimura. What is the net increase in revenue on the two cents (\$0.02)? I know you had that and I should have wrote it down.

Councilmember Yukimura: I believe it is three million four hundred thousand dollars (\$3,400,000).

Council Chair Rapozo: Is there any more...

Councilmember Yukimura: Here it is.

Council Chair Rapozo: I thought it was not even one million dollars (\$1,000,000).

Councilmember Yukimura: For vehicle weight tax?

Council Chair Rapozo: No, for the fuel for the first year of your bill that proposes two cents (\$0.02) a gallon effective July 1, 2016.

Councilmember Yukimura: Okay.

Council Chair Rapozo: Is there any more questions because I will call up Ken because I am sure he has the numbers.

Councilmember Yukimura: Yes.

Council Chair Rapozo: Councilmember Kagawa, did you have a question of the introducer?

Councilmember Kagawa: Yes. I think the introducer should be able to answer this question.

Councilmember Yukimura: I should.

Councilmember Kagawa: In 2013 this Council without the vote of myself and Council Chair Rapozo, increased the fuel tax two cents (\$0.02) from thirteen cents (\$0.13) to fifteen cents (\$0.15) per gallon, and in 2014, the Council raised it another two cents (\$0.02) from fifteen cents (\$0.15) to seventeen cents (\$0.17) per gallon. How much additional revenue did those increases raise to the public and what significant impacts were provided to the public in the shape of improvement of roads when you increased those when you voted to increase those taxes in 2013?

Councilmember Yukimura: Okay.

Councilmember Kagawa: How much additional revenue did it create?

Councilmember Yukimura: I believe for every cent, it is about three hundred forty thousand dollars (\$340,000) a year. Ken, can you come forward just so that...

Council Chair Rapozo: Well, hang on.

Councilmember Yukimura: I am sorry.

Council Chair Rapozo: I am going to have to suspend the rules.

Councilmember Yukimura: Okay. I am sorry.

Council Chair Rapozo: If there are any questions of the introducer.

Councilmember Yukimura: Okay.

Council Chair Rapozo: When it comes to the numbers, we will bring up...

Councilmember Kagawa: Yes, because she is saying that increasing the revenue will increase efficiency in repaving roads and lower the one hundred million dollar (\$100,000,000) backlog that we have.

Council Chair Rapozo: Right.

Councilmember Kagawa: I am wondering in 2013 and 2014, which I voted against, how did that improve the roads so the public knows this is what you get when we increase fuel taxes that you get something positive?

Councilmember Yukimura: Well, I think it contributed to the one million two hundred thousand dollars (\$1,200,000) a year or two million four hundred thousand dollars (\$2,400,000) a year that we spend biennially on repaving our roads. That is all we have right now.

- Councilmember Kagawa: So you just increase...
- Councilmember Yukimura: The two cents (\$0.02), you are right, if it is for a full year, it would increase by six hundred thousand dollars (\$600,000).
- Councilmember Kagawa: Six hundred thousand dollars (\$600,000)?
- Councilmember Yukimura: Right.
- Councilmember Kagawa: For every two cents (\$0.02), it goes up six hundred thousand dollars (\$600,000)?
- Councilmember Yukimura: For every cent.
- Councilmember Kagawa: For every cent?
- Council Chair Rapozo: We will bring up...
- Councilmember Yukimura: For two cents (\$0.02).
- Council Chair Rapozo: ...Ken because his head is spinning right now.
- Councilmember Yukimura: So for every cent, it is three hundred forty thousand dollars (\$340,000).
- Councilmember Kagawa: Well, that is not the only one that increase though.
- Council Chair Rapozo: I tell you what, it is 10:30 a.m. When we come back, we will bring up Ken so we can get the numbers from Ken.
- Councilmember Kagawa: Well, Ken is not trying to pass it. She is trying to pass it.
- Council Chair Rapozo: I understand, but I want to make sure we get that accurate numbers.
- Councilmember Yukimura: You want the facts.
- Councilmember Kagawa: What? Do you have fiction?
- Council Chair Rapozo: Let us take a caption break, ten (10) minute recess, and when we come back, we will have Ken go over the numbers.

There being no objections, the meeting recessed at 10:30 a.m.

The meeting reconvened at 10:43 a.m., and proceeded as follows:

There being no objections, the rules were suspended.

Council Chair Rapozo: Ken, if you can come up please.

Councilmember Kagawa: Can I ask my questions?

Council Chair Rapozo: Please.

Councilmember Kagawa: Thank you, Council Chair Rapozo.

Councilmember Kagawa: Ken, in 2013, Ordinance No. 945 raised the fuel tax to two cents (\$0.02). Approximately how much additional revenue did that raise? Then, how much did the Ordinance No. 945 raise for 2014 as well? Basically, from 2004 to 2013 it went up two cents (\$0.02), and then from 2013 to 2014, it went up another two cents (\$0.02). I want to know how much cumulative revenue did that raise annually over the previous years.

KEN M. SHIMONISHI, Director of Finance: *Aloha* Councilmembers. Ken Shimonishi, Director of Finance. I do not have the numbers in front of me, but I think based on our consumption, which is currently estimated thirty thousand five hundred thousand (30,500,000) gallons, for each penny that the fuel tax is raised, we estimate three hundred five thousand dollars (\$305,000) in revenue.

Councilmember Kagawa: Three hundred five thousand dollars (\$305,000) for every...

Mr. Shimonishi: For every penny based on the current consumption.

Councilmember Kagawa: Additional?

Mr. Shimonishi: We would have to look back at what the consumption rates were back then, but I think that would basically give you a ballpark of how much revenue would be raised with each penny that was done.

Councilmember Kagawa: Would it be accurate to say that the legislation in 2013, which increased it two cents (\$0.02), raised about six hundred ten thousand dollars (\$610,000), and then the same ordinance that had the following year increased another two cents (\$0.02), raised an additional one million two hundred thousand dollars (\$1,200,000)?

Mr. Shimonishi: In aggregate, that would be a reasonable estimation.

Councilmember Kagawa: Basically, the increases over 2012, which was the last year that the thirteen dollars (\$13) was in effect, we basically have been raising one million two hundred thousand dollars (\$1,800,000) more over with the increases of fuel tax per year?

Council Chair Rapozo: One million two hundred thousand (\$1,200,000).

Mr. Shimonishi: Yes, one million two hundred thousand (\$1,200,000).

Councilmember Kagawa: One million two hundred thousand (\$1,200,000) per year?

Mr. Shimonishi: Right.

Councilmember Kagawa: What as the increase of the legislation in 2014 that increased the motor vehicle weight taxes, Ordinance No. 969? The passenger vehicle went up, \$0.0075 cents per pound and then the freight vehicles went up \$0.005 per pound. How much did that increase raise over the previous year?

Mr. Shimonishi: I do not have the numbers in front of me again.

Councilmember Kagawa: Ballpark.

Mr. Shimonishi: I apologize. Based on the proposed bill that Councilmember Yukimura has, the one cent (\$0.01) on the passenger and the two cents (\$0.02) on the freight is estimated to generate about three million two hundred thousand dollars (\$3,200,000).

Council Chair Rapozo: Combined.

Mr. Shimonishi: Combined, the one cent (\$0.01) and the two cents (\$0.02). The bulk of that is coming from the passenger vehicle. I think two cents (\$0.02) on the freight would generate seven hundred thousand dollars (\$700,000), so the balance would be on the passenger or one million five hundred thousand dollars (\$1,500,000) or two million five hundred thousand dollars (\$2,500,000).

Councilmember Kagawa: Do we not have a ballpark as to how much the legislation in 2014 that increased the motor vehicle weight tax significantly? How much did that impact the taxpayers?

Mr. Shimonishi: I want to say...

Councilmember Kagawa: Our revenues total.

Mr. Shimonishi: My thought was somewhere in the neighborhood of one million six hundred thousand dollars (\$1,600,000), but I am not sure. I did not bring the previous year's calculations with me, and that as before I was actually the Director of Finance.

Councilmember Kagawa: During that time, do you know of any significant improvements to our road paving that was done with those increases, besides sidewalks and bikeways?

Mr. Shimonishi: I would have to defer to the Department of Public Works on that.

Councilmember Kagawa: Basically, how many roads were paved for vehicles, and if we can have those done, I would really appreciate it.

Council Chair Rapozo: Councilmember Yukimura.

Councilmember Yukimura: Can we ask the Acting County Engineer?

Council Chair Rapozo: Sure. I do not know if Lyle is prepared to answer any of those questions, but if he is fine. If not, that is completely understood though, because I do not know if he was prepared to respond to these questions.

Councilmember Kagawa: Not to hammer you folks because this is not your request. I am just trying to find out for the public when we increase the vehicle weight tax and motor vehicle tax, what is our track record of accomplishments in regards to paving road, as this bill proposes to repair roads that are in dire need? I want to know how much of the previous increases accomplished that task.

Mr. Tabata: Acting County Engineer, Lyle Tabata. As mentioned on the floor, I am not prepared to answer that; however, the aggregate of the total funding was spread across the entire Roads Division, Automotive Shop, and I believe the Transportation Agency. I do not know exactly what it equaled to in an increase to the Roads Division, but it did ensure that we had funds that we are trying to aggregate every two (2) years of the two million four hundred thousand dollars (\$2,400,000). It did not increase it, but it ensured that we had the funds available.

Council Chair Rapozo: I think the right question to ask, and Lyle, I am obviously not expecting you to answer this today. If you go back to 2012 and do an annual breakdown of how many miles of roads were paved.

Mr. Tabata: We did supply that recently. We have been hitting the schedule as we had promised.

Council Chair Rapozo: Right.

Mr. Tabata: We have been repaving significant amounts of roads every two (2) years, and we did submit. I can resubmit that again.

Council Chair Rapozo: If you did, we can get it.

Mr. Tabata: Yes.

Council Chair Rapozo: I think what Councilmember Kagawa is asking is when we increased the fuel tax, was there a significant increase in the miles of roads that were paved?

Mr. Tabata: Not necessarily.

Council Chair Rapozo: That is the question.

Mr. Tabata: Not necessarily because we did not increase the amount of funds we used to do the paving. It was what we had been using, but we let it aggregate for two (2) years; however, we need to be reminded that it was not simply repaving and resurfacing that we did. We also started to go back and reconstruct roads. So you are going to see a significant amount of roads were being reconstructed and not necessarily in typical lane miles if we are just to resurface.

Council Chair Rapozo: In addition, to the increase in costs, right?

Mr. Tabata: Right. The increased costs, because we did the reconstruction, more than anything, affected the amount of lane miles that we did resurface.

Council Chair Rapozo: Right. Understood.

Mr. Tabata: Yes.

Council Chair Rapozo: Councilmember Yukimura, did you have...

Councilmember Yukimura: How long have you been doing the one million two hundred thousand dollars (\$1,200,000) a year accumulated to two million four hundred thousand dollars (\$2,400,000) biennial?

Mr. Tabata: Since we came aboard in 2010, we did that initial proposal. I believe in 2012, we did resurfacing and again in 2014. 2016 is ready to hit the streets for procurement.

Councilmember Yukimura: Okay. Thank you.

Council Chair Rapozo: Thank you. Are there any other questions for Lyle or Ken? Go ahead, Councilmember Kualii.

Councilmember Kualii: Maybe Ken can answer this, but maybe it is the Mayor or Nadine that should be answering it. Based on the moneys set aside for road repairs in the current budget, and based on the desire to address some of the one hundred million dollar (\$100,000,000) backlog of needed repairs, if there is no kind of tax increase, General Excise Tax (GET), or vehicle weight, or gas, what is the Administration doing with the budget to prioritize and put more money towards road repairs? Has there been any kind of increase over the last few years as far as making that a priority, if it is a priority because they ask for increased taxes is a priority? There is also a way to make it a budget priority.

Mr. Tabata: I can attempt to answer that. Our strategy has been to utilize some of that fund to also do our collector roads. In 2013, we did several collector roads. We can increase by just putting our twenty percent (20%) match, eighty percent (80%) more funds to do the federal aid roads. So that is the strategy that we are moving forward with. We did our first set of collector roads last year. It is a little bit more complicated because it requires the federal government requires more detailed engineering drawings than to just do straight resurfacing. For straight resurfacing, we give a section of the roadway that we want to resurface and then the contractor bids on it that way. For the federal aid roads, we need full construction drawings.

Councilmember Kualii: Based on your ability, your operations, and how much you can do each year, within the budget, you have already budgeted the funding to the level that you can handle as far as road repairs?

Mr. Tabata: We are resurfacing to the amount of money that we are supplied.

Councilmember Kualii: Right.

Mr. Tabata: Not to the capability of our division.

Councilmember Kualii: What is the difference between how much more capability you have if you had more funding, and has any of that additional funding been provided in the existing budget with real property tax revenue, expenses, revenues, and budgeted for?

Mr. Tabata: By our Auditor's findings, we only used Highway Funds. So whatever is generated for the Highway Fund, that is what we put towards our roadways.

Councilmember Kualii: Did we deplete our Highway Fund? Is it so low that we need to increase the tax to have more money to do what you need to do?

Mr. Tabata: I cannot tell you what is in the treasury. I do not get that, but I do know that whatever we are supplied in our budget annually, we use to the best of our ability. So say, we propose the GET of half percent (0.5%), that would have given us what came about to be about a little over eight million dollars (\$8,000,000) a year for resurfacing and road repairs. We definitely created a plan to implement spending all of these funds annually.

Councilmember Kualii: I would just be interested, and maybe it takes a follow-up and you can get back to me later, is to know the difference between the capacity that we have, the maximum amount of we could be doing every year...

Mr. Tabata: Well, it is all contracted out.

Councilmember Kualii: ...if we had how much more money?

Mr. Tabata: It is based on the contractor's ability.

Councilmember Kualii: Right. I do not know what that is.

Mr. Tabata: We contract it out. They can do the eight million dollars (\$8,000,000) a year. They can.

Councilmember Kualii: And they can do eight million dollars (\$8,000,000) a year and they are doing...

Mr. Tabata: They can do more.

Councilmember Kualii: How much is being done now?

Mr. Tabata: Right now?

Councilmember Kualii: Yes? Two million dollars (\$2,000,000)? One million dollars (\$1,000,000)?

Mr. Tabata: Two million four hundred thousand dollars (\$2,400,000).

Councilmember Kualii: Two million four hundred thousand dollars (\$2,400,000)?

Mr. Tabata: Yes, every other year.

Councilmember Kualii: And they have the capability to do eight million dollars (\$8,000,000) a year?

Mr. Tabata: The contractor will man up to whatever money we want to put on the street.

Councilmember Kuali'i: Hiring people from outside...

Mr. Tabata: Exactly.

Councilmember Kuali'i: Flying people in from California?

Mr. Tabata: Right now...

Councilmember Kuali'i: What is realistic?

Mr. Tabata: Right now on this island, we have three (3) paving companies between us and the State doing resurfacing. Everything on Kaumuali'i Highway getting to Līhu'e is State. They broke it up into three (3) different segments. I believe they had three (3) contractors working on it, and at same time, those contractors were working on our resurfacing last year.

Councilmember Kuali'i: Okay. Thank you.

Council Chair Rapozo: Councilmember Hooser and then Councilmember Yukimura.

Councilmember Hooser: Just a brief question. I understand it is preferable to use only Highway Funds for highway projects, and you said that the Auditor suggested that or required that. It is also my understanding that we can use general operating funds, if we want to. Is that incorrect?

Mr. Tabata: I defer to Director of Finance.

Mr. Shimonishi: That is correct. You could use general funds. I think the philosophy would be is that the pressure we want to add to real property tax payers who account for eighty percent (80%) of the General Fund revenue, plus knowing the recent actions of the Legislature to continue to cap the Transient Accommodations Tax at the County's share for yet another year. Are we as a County wanting to, again, put more pressure on real property taxpayers?

Councilmember Hooser: I just wanted to make sure it is clear for the public that we do not have to raise weight or fuel taxes to fund highway improvements. There are other funds that we could use, if we wanted to. They are not limited to those, number one. Also to point out this Council and the Administration continues to put forward spending measures, raises for employees, and the police cars we talked about. Those are all operating funds that could have been directed towards highway improvements if the Administration and the Council

choose to do so. Is that correct? There is no prohibition using those funds. Those are policy decisions.

Mr. Shimonishi: That is correct.

Councilmember Hooser: Thank you.

Council Chair Rapozo: Councilmember Yukimura

Councilmember Yukimura: Lyle, you folks have actually given us at least for three (3) years, list of roads that have been prioritized that if you get money for, you will be able to spend it.

Mr. Tabata: Yes.

Councilmember Yukimura: You actually have a plan for that?

Mr. Tabata: Yes.

Councilmember Yukimura: Based on...

Mr. Tabata: Based on the GET funds available. That is what we create that submittal for.

Councilmember Yukimura: Right. I know you folks...

Mr. Tabata: Our GET presentation.

Councilmember Yukimura: I know it is for that source of money, but whatever the source of money, you have a plan.

Mr. Tabata: Right.

Councilmember Yukimura: Do you have prioritized the roads based on severity of need?

Mr. Tabata: Severity of need, and we also tying in traffic volume and destination.

Councilmember Yukimura: Okay. So it is a far more objective set of criteria for prioritizing roads than we have had in the past?

Mr. Tabata: Yes.

Councilmember Yukimura: I think you have really developed with your MicroPAVER program.

Mr. Tabata: Yes.

Councilmember Yukimura: So you actually have a plan, which is important because we do not want to fund something for which there is no plan. Alright. Thank you.

Mr. Tabata: I wanted to just add Councilmember Kualii's question about capacity. The City and County of Honolulu does a combination of resurfacing their own and contracting. They do five hundred million dollars (\$500,000,000) a year, so the capacity is there.

Council Chair Rapozo: I would suggest that the Walmart in Honolulu makes a whole lot of money than the Walmart here too, right?

Mr. Tabata: Exactly.

Council Chair Rapozo: It is apples and oranges.

Mr. Tabata: Critical mass is the key.

Council Chair Rapozo: Yes. Are there another questions?
Councilmember Kagawa.

Councilmember Kagawa: I just went over earlier that the legislation of the previous Council in 2013 raised approximately two million two hundred thousand dollars (\$2,200,000) additional taxes through the vehicle weight tax, and then another one million two hundred thousand dollars (\$1,200,000) annually from the fuel tax increases. So that total is three million four hundred thousand dollars (\$3,400,000) more revenue than we had in 2012 and prior. My question is, most of that three million four hundred thousand dollars (\$3,400,000) in additional revenue just went to subsidize normal operations that were being depleted because we are saying that well, we only have one million two hundred thousand dollars (\$1,200,000) every year. So every two (2) years, we pave two million four hundred thousand dollars (\$2,400,000). I am thinking where has all of the excess gone? This is just a mere small portion of the total that we collect. I mean, there is so much more that has been collected year after year after year. I thought that was sufficient to cover the normal operations and what have you with the Roads Division, Transportation Agency, and Auto Maintenance. Where did the increase...did they all just spread out to cover normal operations?

Mr. Shimonishi: Councilmember Kagawa, if you look in those years, what was executed was funding part of the bus, transportation operations, from the Highway Fund when it was previously all General Fund. I think roughly between two million dollars (\$2,000,000) to three million dollars (\$3,000,000), two million eight hundred thousand dollars (\$2,800,000) maybe went to fund our transit operations to help alleviate some of the pressure on the General Fund as well. You

are correct in that it got absorbed through other operating costs as well as negotiated bargaining increases and so on. I think if you look at where the revenue went and was spent, you will find that would be a big piece of it.

Councilmember Kagawa: Here is my main question then, if Councilmember Yukimura's legislation were to pass, this one before and it is a really large hypothetical question, it would raise six hundred thousand dollars (\$600,000) for the fuel tax, an additional two million four hundred thousand dollars (\$2,400,000) and seven hundred fifty thousand dollars (\$750,000) additionally in motor vehicle weight tax, totaling approximately three million eight hundred thousand dollars (\$3,800,000) of additional taxes through vehicles. How much of that would be spread out among normal operations and how much would be left to pave roads if we do this, or are we saying well this legislation passes, we guarantee that the full three million eight hundred thousand dollars (\$3,800,000) will go to repaving roads? Is that a fair statement?

Mr. Tabata: If you designate it to only go to road resurfacing and repairs, then that is the designation. I have no choice, but to use it for road repairs. If you make the amendment on the floor, then that is where I will be having it designated to be spent.

Councilmember Kagawa: I actually thought the last increases were going to do that, but I guess not. Anyway, I am ready. Thank you.

Council Chair Rapozo: Councilmember Hooser.

Councilmember Hooser: Just a brief follow-up on that. You may have already answered the question and I apologize if I am asking a redundant question. Of the moneys spent today repaving, how much of that is General Fund?

Mr. Tabata: None.

Councilmember Hooser: Okay. Would there be any supplanting of general funds if this passes?

Mr. Tabata: I believe that is what the last two (2) increases did, was allow roads to not rely on the General Fund any more.

Councilmember Hooser: Okay.

Mr. Tabata: The only General Fund the Roads Division spends is for non-highway repairs. We do work for the Department of Parks & Recreation, we do work for other departments in the County that we cannot use the Highway Fund for, so we use the General Fund moneys.

Councilmember Hooser: Thank you.

Council Chair Rapozo: But nothing prevents and I cannot remember when...it was probably four (4) years ago or five (5) years ago the Council in the budget process put in an additional...I do not know if you were here Lyle. Maybe it was before your time. I am sure it was before your time, but the Council put in an extra...Councilmember Yukimura, you were here.

Councilmember Yukimura: Yes.

Council Chair Rapozo: Three million dollars (\$3,000,000) or so, four million dollars (\$4,000,000) from the General Fund into the paving fund to get more roads paved, but that was a while back. That was a one-time deal.

Mr. Tabata: Yes, it was before my time.

Council Chair Rapozo: Councilmember Hooser is correct that if it is a priority of the County, the Council, and the Administration, we can definitely use General Fund money instead of raising taxes. Councilmember Yukimura.

Councilmember Yukimura: I just want to thank Council Vice Chair for his questions because it is clearly my intent that these moneys be used for repaving programs, but it is not specifically earmarked as such and I will be preparing an amendment to that effect because it is a very good point. I expect and intend that it be used, and I think this Administration would use it for that, but just to make everything binding, I think we need an amendment.

Council Chair Rapozo: My question is about the ability to get those jobs contracted and not through any fault of the Administration, but just the process, right? You put out contractors bid. The process takes so long. How many contractors? You have three (3) contractors on the island and they are hung up on State jobs or maybe existing County jobs. Do we really have the capacity? I think Councilmember Kualii was asking, what is the capacity for this Administration to manage providing you have funds, because no sense proving five million dollars (\$5,000,000) in paving money, but logistically and because of procurement law we cannot reach that just because of the ability of contractors. I do not know how you figure that out.

Mr. Tabata: I believe that for the ten million dollars (\$10,000,000) or I would say the eight million dollars (\$8,000,000) plus, just short of nine million dollars (\$9,000,000) that we had brought forward with GET, we had anticipated a need of one (1), perhaps two (2) inspectors depending on how spread across the island we ventured. However, with the amount that is currently on the floor, we would not need another person, and we would strategize saying to limit the amount of mobilization costs in one (1) section of the island and moving across.

(Councilmember Kagawa was noted as not present.)

Council Chair Rapozo: My question is not about how the County would respond because I know we could definitely manage it. It is not so much our side, it is the private sector, the contractor's side.

Mr. Tabata: Right.

Council Chair Rapozo: Are there enough contractors?

Mr. Tabata: I believe so.

Council Chair Rapozo: You believe there are?

Mr. Tabata: Yes.

Council Chair Rapozo: Okay. Councilmember Yukimura.

Councilmember Yukimura: The State has been doing extensive repaving, and I think at some point in the past, we have had some concerns about whether there would be more than one bidder and so forth. But now that the State is doing so much, would you say that problem has been mitigated?

Mr. Tabata: I believe so. They have been able to bring the extra...with the extra volume and they proved that what we were saying all along, that with more volume we would get more people bidding, and they have.

Councilmember Yukimura: Do you know how many miles of road the State has repaved and plan to repave?

Mr. Tabata: They started all the way from Pacific Missile Range Facility (PMRF) and working their way all the way in. I believe the last segment here by halfway bridge is it for now. Then they had gone out last year to do the community outreach to pave from right outside of Kapa'a Town, all the way to Princeville. That is the next phase over the next two (2) years that is going to be happening

Councilmember Yukimura: Maybe about twenty (20) miles a year?

Mr. Tabata: Yes, about there.

Councilmember Yukimura: If they are doing miles (20) miles a year, how many miles do we do on the average every two (2) years?

Mr. Tabata: With the two million four hundred thousand dollars (\$2,400,000), we recently completed just about seven (7) miles. It was in the report.

Councilmember Yukimura: Yes, I know. I saw it.

Mr. Tabata: I think it was just about seven (7) miles total.

Councilmember Yukimura: Seven (7) miles?

Mr. Tabata: Yes.

Councilmember Yukimura: With collector roads?

Mr. Tabata: Yes.

Councilmember Yukimura: If we were to double that, we are looking at say fifteen (15) miles, if you...

Mr. Tabata: Yes. In 2012, remember we had that money that carried over from previous administrations that believe we had just about six million dollars (\$6,000,000). We did fifteen (15) miles.

Councilmember Yukimura: Fifteen (15) miles? Okay. Alright. Would we be in the ballpark of what State has been doing, and they have not had problems getting bidders?

Mr. Tabata: No.

Councilmember Yukimura: Okay. We actually should try to do this before the price of oil goes up because then the price of asphalt goes up, and everything goes up.

Mr. Tabata: Yes.

Councilmember Yukimura: Okay. Thank you.

Council Chair Rapozo: Councilmember Chock.

Councilmember Chock: Thank you for the perspective that we are looking at it from. The total bill we are looking at is one hundred five million dollars (\$105,000,000), is that correct?

Mr. Tabata: Yes.

Councilmember Chock: About there?

Mr. Tabata: That was the estimate at that time. We have revisited and even came to the conclusion that – and I supplied the report to

Councilmember Yukimura, and I think we should share it with everybody. It is significant. I do not have the number right off the top of my head.

Councilmember Chock: Is it more?

Mr. Tabata: But for us to be sustainable, we created a seventeen (17) year plan to get us into a cycle, and again, we go back to the definition of sustainable. To me, sustainable is something that is repeatable that we can as a County continue, so that we do not get to the situation where we are today.

Councilmember Chock: The plan you are talking about is based on the GET?

Mr. Tabata: Yes, the GET funds.

Councilmember Chock: Right.

Mr. Tabata: We are talking about significantly less. We are going to have to revisit.

Councilmember Chock: Right. I guess that is what I am trying to get at. With the two million four hundred thousand dollars (\$2,400,000) every two (2) years...

Mr. Tabata: We will never catch up.

Councilmember Chock: We will never, even with the three million eight hundred thousand dollars (\$3,800,000), we are looking at twenty (20) plus years to breakeven if at that.

Mr. Tabata: Yes. I believe Ed Renaud does computation for us based on five million dollars (\$5,000,000), and it did not end in thirty (30) years. It kept going. Based on the GET, the eight million dollars (\$8,000,000) to ten million dollars (\$10,000,000) a year, we calculated a conservative number, which we were asked to do, was seventeen (17) years to get us into a distinct cycle.

Councilmember Chock: The right amount per year in order to get on that plan is eight million dollars (\$8,000,000) annually. Is that correct?

Mr. Tabata: I think it was increasing over time.

Councilmember Chock: Okay.

Mr. Tabata: The question is what would happen after the ten (10) years if GET went away. Well, we just kept taking it out to the point where we did complete everything and it was not a repeatable cycle.

Council Chair Rapozo: The one hundred million dollars (\$100,000,000) that we talk about all the time, that is the County portion or is that total?

Mr. Tabata: That is the County match to...

Councilmember Yukimura: We are matching.

Mr. Tabata: ...also work with federal funds to do the collector roads.

Council Chair Rapozo: So the one hundred million dollars (\$100,000,000) does not include the federal funds?

Mr. Tabata: Yes.

Council Chair Rapozo: Councilmember Yukimura

Councilmember Yukimura: Does it cover bridges as well as roads?

Mr. Tabata: No, that was just for road resurfacing. That bridge was a whole different...

Councilmember Yukimura: Oh, okay.

Mr. Tabata: Remember the GET was for twenty million dollars (\$20,000,000), and then just the road portion was a little over eight million dollars (\$8,000,000).

Councilmember Yukimura: That is why I proposed the seventeen cents (\$0.17) and some vehicle weight tax because that would have given us ten million dollars (\$10,000,000) a year. I think Ken you told me it would then cover bridges. It would cover road repaving and bridges.

Council Chair Rapozo: Okay.

Councilmember Yukimura: I wanted to ask Lyle, when you say that...we have allowed ourselves to get to such a place like somebody paying off a mortgage by paying so little that we are only paying off the interest and not reducing the...

Mr. Tabata: Good characterization, yes.

Councilmember Yukimura: Yes.

Mr. Tabata: Nothing on the principal.

- Council Chair Rapozo: And borrowing more.
- Mr. Tabata: Yes.
- Council Chair Rapozo: Extending the mortgage by using equity and spending more paying minimum. You will never catch up.
- Councilmember Yukimura: You never catch up.
- Council Chair Rapozo: That is a great analogy.
- Councilmember Yukimura: Yes.
- Councilmember Kualii: I might have missed it earlier, and even in some prior presentation, but the one hundred million dollars (\$100,000,000) backlog, that represents how many years of not doing how much?
- Mr. Tabata: I cannot answer that.
- Councilmember Kualii: At one point, there was an amount that we should do every year.
- Mr. Tabata: Yes.
- Councilmember Kualii: Or was there never really a plan even twenty (20) years ago, of how to keep up with the roads? I would imagine there must have been an amount that we were supposed to be doing every year, and so over what period of time did we not do it and that we come to the place of one hundred million dollars (\$100,000,000)? It seems that the Highway Fund as it currently exists, unless we drastically increase the rates, it would not be enough to address such a backlog because this backlog came as a result of many years? How many years? Five (5) years? Twenty (20) years?
- Mr. Tabata: Before our first resurfacing that our Administration performed in 2012, there had not been any resurfacing for the five (5) previous years.
- Councilmember Kualii: The year prior to the five (5) years of not being done, was on a certain schedule? In five (5) years we got one hundred million dollars (\$100,000,000)...
- Mr. Tabata: They had a schedule; however...
- Councilmember Kualii: It was not adequate?
- Mr. Tabata: Yes.

Councilmember Kualif'i: It was not doing enough and then for five (5) years, not doing any?

Mr. Tabata: Yes.

Councilmember Kualif'i: For that periods of not doing enough, which might have been another ten years (10) to twenty (20) years plus the five (5) years of not doing any, we have gotten this one hundred million dollars (\$100,000,000) backlog. It does seem too then that the only we can flip that is to invest as much time as we have not invested. If it took twenty-five (25) years to get us into this backlog, it may take us at least ten (10) years to get out of this backlog.

Mr. Tabata: I had mentioned that we did a comprehensive review that said it will take minimum, seventeen (17) years.

Councilmember Kualif'i: Okay. In that comprehensive view of seventeen (17) years, we did that analyses for GET, of what it would take, right?

Mr. Tabata: Yes

Councilmember Kualif'i: Have we done the same thing for vehicle weight and gas?

Mr. Tabata: No.

Councilmember Kualif'i: Or have we done the same thing for the existing budget, real property tax out of operating budget, because I would say that we have to look at every way that this is possible. We have been backed into a corner by the legislature on the GET as far as when we can vote on that, and obviously with Councilmember Yukimura reintroducing this, we can vote on the vehicle weight tax and the fuel tax any time. We can come up every month or every two (2) months, and neither of those mechanisms get to go to the voters, but on how we spend real property tax, the voters can decide on that. I am looking at and just asked at possibly proposing a charter amendment where the people can vote on how we pay for this backlog because a one hundred million dollars (\$100,000,000) backlog cannot be addressed with what Councilmember Yukimura is proposing today.

(Councilmember Kagawa was noted as present.)

Councilmember Kualif'i: We are making decisions for the people on increasing their taxes at a time when we are dealing with the budget. I agree with some of the other Councilmembers that we should not be raising any taxes, not GET, not fuel, and not vehicle weight. If it is such a backlog and we get the people's outcry to say "we need to find the money to fix these roads," then the people can play a role in that by supporting a charter amendment much like they supported a charter amount years ago for an Open Space Fund. We are not talking about regular

maintenance year in and year out. We are talking about a one hundred million dollar (\$100,000,000) backlog that came about in a twenty (20) year period. So maybe the people can step up and say, "Yes, we get it. We see it all over the island and we are going to vote to create a special fund to help the Administration deal with addressing the backlog." I think that is an option. I just figured it out and I am going to propose that. I am going to work with the Department of Finance.

Mr. Tabata: Not to short-change the people who came before me, they did what they could. When we came in, budgeting for road resurfacing and road repairs was based on this is amount of money you have, match it. Make the roads match the amount of money you have.

Councilmember Kualii: Right.

Mr. Tabata: I imagine previous administrations did the same thing. They were given this amount of money and so you select the roads based on the highest need to match the money you have.

Councilmember Kualii: Obviously we cannot fault the people who are doing the work.

Mr. Tabata: We still do that today.

Councilmember Kualii: But the people who made the budget who did it, made a mistake there. So previous Mayors and previous Councils did not allocate enough money, especially if you asked for it. What was an appropriate amount? Maybe it really was not asked for, too. But never mind. That happened in the past. We have to fix what is going forward.

Mr. Tabata: I believe we did...

Councilmember Kualii: And there is ways to do it.

Mr. Tabata: We did submit...

Council Chair Rapozo: Hang on for both sides because I have heard it several times today. One (1) person talk at a time because the poor lady that has to type this stuff goes nuts, and when we see the minutes, it says, "inaudible, inaudible, inaudible." Please...

Councilmember Kualii: I am sorry.

Council Chair Rapozo: It is not just you. It is everybody. Let the person finish what they are saying and then we respond, because poor thing. Anyway.

Mr. Tabata: Just to support what we did submit, it was the GET. We did all of this work that you are describing and I further refined it at Councilmember Yukimura's request. Instead of it ending in ten (10) years, I came up with seventeen (17) years. I will not say, "I came up." My team, the Roads Division, took three and a half (3½) months and they came up with what we came up with.

Council Chair Rapozo: Thank you.

Mr. Tabata: Thank you.

Council Chair Rapozo: I see your hand, Councilmember Yukimura. Just in the past, the technology that you folks have today, and this is to your credit, Lyle and since you folks came to the Administration. It was really a political process as far as what roads got paved. I say "political" not in a negative way. It was basically report driven. Somebody would call the Mayor's Office, somebody would call the Roads Division, somebody would call the Council and say, "When are you folks going to pave my road," that went into the funnel, and then at some point the Department of Public Works would look at the list and determined the need. If you ran the same analysis we did today, back ten (10) of fifteen (15) years ago, you would have the same result. I think more roads would fit into the category of needing to be repaved or being rebuilt, but on the surface it does not look that way so the people are not complaining. I think that is where my question on the one hundred million dollar (\$100,000,000) projects is. Out of one hundred million dollars (\$100,000,000) on the list, what roads are in that need? What is the Tier 1, Tier 2, or Tier 3 because you are right? It would be tough to get to all of those roads, but we have to start somewhere. Councilmember Yukimura.

Councilmember Yukimura: The problem in addressing this problem is when you reconstruct or repave the road, whatever solution is appropriate, you then have to keep it maintained because otherwise while you are fixing all the other roads, you allow the newly paved roads to deteriorate further. Then you are in a constant cycle and not able to catch up. That is why you need a certain amount of money at one time. It is not a matter of just putting in a little bit at a time, and that is why the previous proposal that I made would have yielded ten million dollars (\$10,000,000) a year. That is what I understood would have covered the road and bridge repairs. It is a huge amount to pay, even though if you really looked at, I think it was like if this was a one dollar and thirty cents (\$1.30) a month, it might have been five dollars (\$5) to ten dollars (\$10) a month, which is a bigger burden. Now if you are saving one dollar and fifty cents (\$1.50) a gallon, you have that leeway to spend. If the gas prices go up, it becomes impossible to put a fuel tax or vehicle weight tax in place, and that is why the time is now. With gas prices cheaper, the asphalt prices are cheaper. It is like will we take up this window now or will we let it pass? Regarding Councilmember Kualii's statement, we do not have to have a charter amendment. We just have to have people say "We want to stop the bleeding. Do pass something here that will help fund this so that we can have good roads now and into the future." I mean, people can say that right now and we are the people

doing the budget right now. We say all those people doing the budget in prior years, they missed the boat and they did not get it done. Well, now is the time for us, but we do need support from the public because the public can keep saying “kick the can down the road,” and then the likelihood is that we will, but then, where will this island end up?

Council Chair Rapozo:

Councilmember Kagawa.

Councilmember Kagawa: Again, this is from you are CPAs, N&K CPA, Inc., and the spreadsheet on performance on highway and street repaving. If you look at year 2006, we did eleven point zero five (11.05) miles. In 2007, we did eleven (11) miles, and in 2008 we did thirteen point six (13.6) miles. If I had a pointer, I could show the line I am looking at. It is the sixth line from the top. In 2009, we did seventeen (17) miles, 2010 seventeen point five (17.5) miles, in 2011 we did ten point two (10.2) miles, 2012 was blank. Zero (0). In 2013, we did nine (9) miles, in 2014 we did eight point four (8.4) miles, and in 2015 was another blank. What happened during those years I would say from 2011 to 2015? Was it a lack of funding why we performed so poorly in repaving?

Mr. Tabata: The blank years is because we went into that every other year, remember, aggregated funds. We significantly changed how we resurfaced because remember, we were going into this heavy reconstruction of roads, and that significantly reduced the lane miles. That is why you see miles heavy upfront because they are just putting resurfacing, and as we found when we came in, and people in the community have testified under resurface the amounts of tons per mile we placed, we over surfaced tons per mile. We have stricter restrictions, but the majority of the reduction is because we have gone into heavy reconstruction of roads.

Councilmember Kagawa: Basically we are doing a higher quality of a job now per mile?

Mr. Tabata: Only time will tell, but that is the intent, that we are going a better job.

Councilmember Kagawa: But if we are going every other year, how come in 2013 and 2014, we...

Mr. Tabata: I am not sure. Maybe that is how it got reported.

Councilmember Kagawa: Maybe the contract was split?

Mr. Tabata: The contract went out in 2012 and then it was completed in 2014. Over the two (2) years, maybe that is the receipts that were booked. Then in 2014, we went out to bid again, so it is in 2015 it got done. Now we

are going out to 2016, which then is going to end up in 2017. I am not sure how it gets booked and recorded accounting wise, but something needs to be a little bit...

Councilmember Kagawa: I am sure that the accountants pulled the miles from the contracts to the road resurfacing companies because the accountants do not tend to fudge or maybe up numbers.

Mr. Tabata: No, but the miles are correct. But where it exactly falls in what year, I am not sure.

Councilmember Kagawa: Thank you.

Councilmember Yukimura: You may have signed the contract, but when the roads actually got paved might have varied?

Mr. Tabata: Right. I believe what you see in 2013 and 2014 is what was let out in 2012 because that adds up close to sixteen (16) miles including collector roads. I believe 2013 is when Kekaha Road was completed. So we have those funds in there, too.

Councilmember Yukimura: Lyle, when you say that the roads are repaved better and sometimes reconstructed, because that is the right way to do it, does that mean that they will presumably last longer?

Mr. Tabata: Yes.

Councilmember Yukimura: And therefore, we should be getting more for our money?

Mr. Tabata: You will see like we just as we let out a contract for slurry seal, you have to follow within five (5) years after you resurface with this other treatment that can extend the life. Slurry seal is what we saw on Hardy Street. We are doing a treatment like that to then extend the wear life of the pavement.

Councilmember Yukimura: So timing is very important and...

Mr. Tabata: Very important.

Councilmember Yukimura: ...the implementation of the repaving program?

Mr. Tabata: Yes.

Councilmember Yukimura: Ken, in the years 2011, 2012, and 2013, budget-wise, we were trying to get out of a big hole, right?

Mr. Shimonishi: Correct. Fiscal Years 2011, 2012, and 2013, resulted in rather large deficits and the rundown of the Fund Balance.

Councilmember Yukimura: We did not have the freedom to take from General Fund or whatever at that point. We were actually trying to remove things like the bus from the General Fund if we found other places to fund it by. In 2006 and 2007, could we have been using General Fund money or is this all Highway Fund money?

Council Chair Rapozo: I believe it is all Highway Fund money. I think that only one (1) year, and I am trying to think back when, but that one (1) year we put in the extra money. Prior, I think it is always been...

Councilmember Yukimura: Did we not use bond money sometime, too, until we were told because of GASB or whatever it was? I think we stopped. I think we were using bond money to maybe much earlier.

Council Chair Rapozo: Any other questions? If not, thank you. We will not be taking public testimony today. I am just kidding, Glenn. I saw your fingernails go into the armrest of that chair. Do we have any registered speakers?

Ms. Fountain-Tanigawa: Yes we do, Chair. The first registered speaker is Glenn Mickens, followed by Lonnie Sykos.

Council Chair Rapozo: Breathe, Glenn.

Mr. Mickens: I think only you and Councilmember Yukimura have probably been here as long as I have been testifying about this issue, right? I do not think the rest of you were here at that time, but I know you keep on saying...okay. There has been a lot of great questions asked today, particularly by you, Councilmember Kagawa, but I have not heard answers. After reading Proposed Draft Bills Nos. 2630 and 2631 that are proposed to raise our fuel tax, vehicle weight tax, and registration fees, the only exclamatory word I can think of is "insanity." Bill No. 2630 states that "the one hundred million dollar (\$100,000,000) road repair bill was due to deferred maintenance accumulated over many years and was cause by a failure of public officials to put enough revenues in the Highway Fund through fuel and vehicle weight tax and registration fees." Our vehicle rate tax was recently raised and now due to incompetence in the system, we, the taxpayers, are asked to pay more money to rectify their mistake. Unbelievable. Before continually raising our taxes, what are we not finding out where the tax money is going, as Councilmember Kagawa keeps on asking, particularly our fuel and weight tax? For three (3) years, none of our roads got repaved even though our Council appropriated millions of dollars to do this job just as budget has been appropriated over the years. I think has been roughly one million eight hundred thousand dollars (\$1,800,000) a year that were supposedly to be paved, and we were paving the roads illegally at that time. Again, those of you who were here have seen me repetitiously and factually show you how we were

spending millions of dollars for asphalt cement (AC) repaving, and we are not getting the material we were paying for. No one was willing to investigate and find out who was responsible for this illegal action so now you want to penalize the public with more taxes to pay for these gross mistakes. I can take any of you to a section of Hauiki Road anytime you want that was repaved in October of 2010, and show you where the center section is all cracked and coming off due to improper amount of AC not one and a half (1½) we paid for put down for the final lift. With all due respect to my friend Larry Dill, he was not our engineer at the time and rectified this illegal mistake when he came on-board as was being pointed out. Now that we are paving the roads properly, it is going to cost more obviously, which I have been screaming about year after year after year, and nobody wanted to do anything about it. Further, to repave a mile of road twenty (20) feet wide costs three hundred fifty thousand dollars (\$350,000), but the multi-use path has cost us five million two hundred thousand dollars (\$5,200,000) per mile and more for a ten (10) feet wide four (4) inch slab of cement. Why was there no investigation to see why this is happen by wasting more tax money? Both the roads and path are eighty percent (80%) funded by the federal government with twenty percent (20%) from our pockets. All of our money. What about the millions of dollars of waste in the building and maintenance of our bridges? Councilmember Yukimura, you brought that up about the bridges again.

Council Chair Rapozo: Glenn, that is your first three (3) minutes.

Mr. Mickens: Okay. I am sorry.

Council Chair Rapozo: I guess I failed to say that we are going to take the Communication with the Bill and Resolution. If you testified during the Communication, you will not be allowed to testify again at the Bill or Resolution. If you want to speak on the Bill now, that is fine because it is covered by the Communication. If you use up your time here, then you will not be able to speak at the Bill or Resolution.

Mr. Mickens: I will come back for my other three (3) minutes.

Council Chair Rapozo: Okay. Anybody else? Yes, we have Lonnie signed up. Anyone else after Lonnie?

Ms. Fountain-Tanigawa: Matt Bernabe.

Council Chair Rapozo: Thank you.

Mr. Sykos: For the record, Lonnie Sykos. It is obvious to everybody that we have to put more money into our roads. The question here is how are we going to manage our money and how are we going to manage the process, which has been disastrous for the tax paying public for the last twenty-five (25) years or so. What we are looking for, our objection to increasing taxes on anything, is the

fact that we do not see an increase in efficiency. I will stop here and say tip of the hat to our Acting County Engineer and our previous one for their very good efforts in creating a road repair and paving plan. I have nothing, but admiration for what they do, but their hands are tied in the big picture. It is the big picture that is the problem for the public. We do not see outside of Lyle. We do not see where there is going to be either in increase in efficiency or competency in handling the money. We have been told through the years and again today that the money that was taken from us in taxes and we, the public, were told that the rationale for the taxation was roads and then significant amounts of the money get sucked into other areas, which I am sure need money, but that is not how our process works. Our process, due process, what is right for us taxpayers, is you have to tell us in advance what you are going to spend the money on before you take the money from us. Tip of the hat to Councilmember Yukimura. I would say that relying on faith that the Administration will spend the money the way they say will is an utter joke. We have been through twenty-five (25) years of that and that is why our roads are in such a horrible shape. If you want to collect money from us for roads, make sure it is earmarked for that and cannot be sucked into some other aspect. I will use my other three (3) minutes later. Thank you.

Council Chair Rapozo:

Thank you. Mr. Bernabe.

Mr. Bernabe: Matt Bernabe, for the record. I am also going to attempt to answer Councilmember Kagawa's question. In 2013, you folks apparently came up with this multi-modal transportation model. We have seen a super aggressive beautification of streets like Hardy Street, but also the implementation of a bunch of bike trails that in some cases are not even legal. If you couple that with the amount of time wasted, in my opinion, looking for Transportation Investment Generating Economic Recovery (TIGER) grant for Rice Street, not to mention the two million dollars (\$2,000,000) that we would have to match that thirteen million dollars (\$13,000,000), and we are sitting here having this discussion, I have got to be honest, that is where you find your money. You tell these people, how much did it cost for that illegal bike trail? Even if it is thirty thousand dollars (\$30,000), that is thirty thousand dollars (\$30,000) that could have gone to one road. The one that we had the after-the-fact resolution that they came here and did not have any due process? The TIGER grant, is one of our best roads in the inventory. Why are we talking about ripping it up and destroying it? That is allocated time and energy just for coming here and dealing with the process of that TIGER grant, that they could be addressing that energy and money somewhere else. I live in Kapa'a. The road going up to Kapa'a High School and Mahelona Medical Center on Kawaihau Road, the section from the highway up, that is like a motorcycle track with a bunch of "whoopee doos." I swear it is a bunch of "whoopee doos." How long have I see that road like that? That is a road that could have been addressed. It is actually in more dire street than Hardy Street was. Let us take a fieldtrip. Let us see some of these County roads. The way these people are spending the money is ridiculous. They are wasting our money. This multi-mode has sucked the energy of the focus of all we are talking about. They are not focused on resurfacing roads. We have about what, three

hundred (300) miles of roads. Even at twenty (20) miles a year, that is a very small...that is not even ten percent (10%) of our roads per year resurfaced if that is three hundred (300) miles. What is the percentage of the roadways that O'ahu does per year? You want to throw out O'ahu as an example of they are this and they are that, what is the outright percentage that they resurface of their roads every year? We have have peanuts. I am embarrassed to hear we have only done nine (9) miles, ten (10) miles, or twelve (12) miles. Embarrassing. I am ashamed.

Council Chair Rapozo: Councilmember Yukimura.

Councilmember Yukimura: I wanted to ask Mr. Bernabe a question.

Mr. Bernabe: I hope I have an answer.

Council Chair Rapozo: Well, you should have it because it is to restate or rephrase.

Mr. Bernabe: Oh, perfect.

Council Chair Rapozo: It is not a new question.

Mr. Bernabe: Better yet. Matt Bernabe again.

Councilmember Yukimura: Do you think we should repave more roads than we have repaving now? Do you not believe we need more money for it? So do you oppose this Bill? I just want to be clear about your position.

Mr. Bernabe: I oppose this Bill because they spend our money bad. Is that a clear answer?

Councilmember Yukimura: Thank you.

Council Chair Rapozo: Okay, that is clear.

Mr. Rosa: For the record, Joe Rosa. Again, I never hear this thing mentioned from the year 2004 to 2014. Where did all of the money go? It was spent on something that I heard people come up here and say that by doing it will solve the transportation problem, but yet, to me it is a white elephant. Traffic is still a problem. The infrastructure is still a problem. I have heard all of the previous County mayors saying their prime objective was to fix the infrastructure, but yet, they did nothing from 2004 to 2014. Where did the gas money or vehicle weight tax money go? It went to something that is a white elephant, the bike path. The bike path is completed to Wailua, but it has not solved anything in that corridor. Who is pulling the blinds over the people's eyes on Kaua'i? It was the previous County Engineering Division coming in saying that is going to solve the problem because it was going to take the cyclists off the highways and put them on the bike path. I have

not seen it. I testified before here and now the person who made that statement, I chased him out of here. I said there is no justification, and today, there is no justification. I worked thirty-six (36) years with highways, and a lot of these things here is neglected. Today I can say the same thing. It is neglect because the highway maintenance, they cannot even do the trimming of the sides because there is only one (1) road in and one (1) road out. That is why I always emphasized alternate routes so people can do their work sufficiently, do it right, and keep the life of the highway. Take Kīpū Road. That is another road that is in jeopardy. This was a County road that the County took over, widened it up, realigned it, and today it is in chaos. Again, it is one of the roads that the County has in jeopardy. Puhi Road was the same thing. You see, they can say anything, but then again, the roads always get fixed on the evening years, the so-called election years, and then paving comes to be priority where a politician would live on our a Councilmember or a Department Head would live on. So that is how it was. It was not done with a need of repairs to be done.

Council Chair Rapozo: Okay Joe. That is your first three (3) minutes.

Mr. Rosa: I will be back.

Council Chair Rapozo: Thank you. Anyone else wanting to speak for the first time? Mr. Taylor.

KEN TAYLOR: Chair and Members of the Council, my name is Ken Taylor. We all know that we need to fix the roads. They are in terrible shape, but the problem is the inefficiency of the County government not needing to raise more taxes. Some examples, Big Save market space across the street. It has been sitting there empty there for six (6) years to seven (7) years. I do not know what it was generated in rentals before, but somewhere between twenty thousand dollars (\$20,000) and forty thousand dollars (\$40,000) a month, sitting there empty for six (6) years to seven (7) years. To put salt in the wound, we turn around and rent space across the street for the Office of the County Auditor's, and I understand it is around fifty thousand dollars (\$50,000) a month. If these numbers are not correct, we can be corrected. I have been on the island about twelve (12) years now and I have heard year after year after year, Mr. Mickens coming up here and talking about the quality of the road repair and what has not been done. He has taken some of you and past Councilmembers up and showed you the problems. Never once has anybody bothered to start an investigation as to what the heck is going on. It is time, before you start raising taxes, to get the problem at-hand straight. It puts the burden on all of you. You have the authority to do the investigation. Where is the money going? We heard that for three (3) years there was no road repair done because we are going to get a big chunk of money, and then we can be more efficient and get a better price. Where did the money go? We did not see any big increases in road repair. These are the things that need to be dealt with before you raise the taxes. We have been told over and over again that you folks control the purse strings. Well, let us see how you control the purse strings. Investigate where the money is going and why we are not

being as efficient as we should be with the tax dollars that are now currently coming in? Thank you.

Council Chair Rapozo: Thank you. Anyone else wishing to speak for the first time?

NORMA DOCTOR SPARKS: Norma Doctor Sparks. I would ask that this not move forward because there is no additional information that can actually show that additional taxes should be imposed. I do not even know really what the existing funding for the roads in the budget at this time is and how much federal funding we are pursuing. It is unclear whether or not the surplus or the lack of spending of about twelve million dollars (\$12,000,000) to thirteen million dollars (\$13,000,000) funds in the budget are due to savings in personnel budget, which sometimes cannot be touched, or whether it is operating funds, which can then be touched. I do know that we do need to have some good roads. It is important to all of us; however, we also need to manage our budget as well. Until we can actually find out exactly what the budget is and what our priorities are as a County, then I do not think we should impose any additional taxes on all of us. I do know there should be some designation that any of these taxes, if increased, should be designated only for specific things. I am not even sure that the gas tax, for example, which I believe has a designation, has actually been used by the County in that way that it was designated. Again, because there is not enough information and trying to figure this out as we go along based on maybe or perhaps, is not good enough. Until it is better, then we should not move forward with any tax on us at all. Thank you.

Councilmember Yukimura: I have a question.

Council Chair Rapozo: Hang on, Norma. Councilmember Yukimura.

Councilmember Yukimura: Ms. Sparks, do you feel that we should not go to a public hearing, that we should stop it on first reading?

Ms. Sparks: I do. I do not think that the public hearing will give any more information unless before a public hearing more information that is more definite can be given to the public.

Councilmember Yukimura: It does allow for that.

Ms. Sparks: It does.

Council Chair Rapozo: Okay, that was beyond the restate or rephrase, but I appreciate that. Councilmember Yukimura will have an opportunity to discuss her position on going forward to a public hearing and Committee at a later time. Thank you.

Ms. Sparks: Thank you.

Council Chair Rapozo: Anyone else wishing to speak for the first time? Mr. Hart.

Mr. Hart: For the record, Bruce Hart. In 1969, my stepmother brought a brand new Chevy Nova for two thousand six hundred ninety-five dollars (\$2,695). I remember what Council Chair Rapozo said. He said it upsets him when you say it is just twenty dollars (\$20), and it just makes you wonder that same car today will cost you thirty thousand dollars (\$30,000). As a member of the public, I keep wondering when it is going to end. Are our *keiki* going to be paying one hundred thousand dollars (\$100,000) for a Chevy Nova in another thirty (30) or forty (40) years? Are we going to have a road backlog of five hundred million dollars (\$500,000,000)? This is not crazy talk. I just gave you the numbers and I have lived long enough to see it. It is just insane. At some point, I remember Councilmember Kuali'i said, at some point we have to begin. This problem is overwhelming so we can all see that we have to begin somewhere, but is that beginning just repeating a pattern of raising taxes to the people? Whenever a business runs into a problem like this, they have though find another way. They cannot just go to the public and say, "Well, there is all these situations and all of these numbers" and just wear us down. This is the GET, and it is being called something else. Taxes are taxes. Come on. We just have to tackle it at some point. We are going to have to find creative ways to generate revenue. As a member of the public, I am not against the government. It is not just a blanket statement. I am against the government taxing the people. We are asking you to do something, fix the road, but we are frustrated. We are really just frustrated over "well, it is only twenty dollars (\$20)." Two thousand six hundred ninety-five dollars (\$2,695), and now it costs thirty thousand dollars (\$30,000). We just wonder when it is going to end. Thank you.

Council Chair Rapozo: Anyone else wishing to speak for the first time? I do not think there is anybody else here. Going back, does anybody want to speak for a second time, starting with Glenn?

Mr. Mickens: Thank you, Council Chair Rapozo. For the record, Glenn Mickens. Councilmember Yukimura brought up bridges. Council Chair Rapozo and Councilmember Yukimura were both here when we sat here until 4:30 in the morning and built Olohena Bridge over a ditch. It was not even a river. It was not a stream. It was a ditch. We spent four million eight hundred thousand dollars (\$4,800,000) on that, and we had proof that the ACROW people would have built it for \$600,000, but we did not do it. Why? We spent twelve million dollars (\$12,000,000) redoing the Kilauea Bridge. They would have built it for under one million dollars (\$1,000,000). I personally spoke to the ACROW people and they said that. Why? We talk about waste. We are talking about twelve million dollars (\$12,000,000) as opposed to under one million dollars (\$1,000,000). Start going after the waste in the system before we even think or talk about raising taxes again. This goes on and on. The system that we have obviously needs changing. You have heard this like a broken record. We need a county manager type of system. At

least you are going to have somebody responsible. When something goes wrong, the Mayor is going to sitting here at the desk with you folks.

Council Chair Rapozo: Glenn, that is another item on the agenda.

Mr. Mickens: Okay.

Council Chair Rapozo: We are on the tax rate.

Mr. Mickens: Okay. I got you Council Chair Rapozo.

Council Chair Rapozo: Thank you.

Mr. Mickens: Anyway, we have to do something about the waste in this system, obviously. You keep talking about it, Councilmember Kagawa, we are broke, but we keep on spending money like it is going out of style or you are talking about we have excess at the end of the year, so what do we do with it? Well, we better spend it. We do not want to save it or put it back into the General Fund or anything, right? Let us go ahead and spend it because we have other things to spend it for. We have to be prudent with what we are doing. You do with your own bank accounts, do you not? If we keep on spending, we take one (1) credit card and go...well, some people do, I guess. But it is not the way you will get your head above water. Anyway, I do hope again, that we will investigate and find out the wrongdoing in the system before we even talk about taxes. Thank you.

Council Chair Rapozo: Anyone else wishing to speak for a second time? It is Lonnie, Matt, Joe, and then Ken.

Mr. Sykos: For the record, Lonnie Sykos. Just a couple of points here, number one, one of the problems that our roads have currently that this Bill is not going address and, in fact is just throwing good money after bad, is there are no longer ever any truck scales on our highways. Although that is a State function, the County Council and the Mayor have the bully pulpit to the go to our State Legislators to get some funding to bring the highway scales back. Of the vehicles that are the most obvious ones to be violating the weight limits are the ones either owned or hired by the County that are moving solid waste around. Our road surfacing is not designed to be running like an interstate that has a gazillion eighteen-wheelers fully loaded all the time. When we allow overloaded vehicles on our roads, it tears them up and just costs us more money. We have a bunch of issues that all need to be dealt with in order to not throw good money after bad. The one hundred million dollar (\$100,000,000), if I did my math correct, comes out to about one hundred four thousand dollars (\$1,400) per person, that is man, woman, and child. If we want to take that burden off of the elderly and infants, we probably are two thousand eight hundred dollars (\$2,800) to three thousand dollars (\$3,000) or something per person in order to pay for the roads. Coming from that perspective, the Administration and the Council wants to ask me to give the County one thousand

four hundred dollars (\$1,400) to fix the roads. My question is how is my money going to be spent, which from the public has been the theme of the meeting which is we do not believe our money has been well spent and we do not see any evidence that it will be better spent than it was. All of the questions that have been raised about what has happened in the past and the value of our money, my observation to the County Council is please hire an auditor. This is what the auditor is for. The fact that all of these questions exist and we cannot get the answers is because the Council fails in its duty to provide the public with an auditor. So get us an auditor as part of getting our roads repaved. Thank you.

Council Chair Rapozo: Thank you very much. Hang on. Is Matt gone? Okay, Joe.

Mr. Rosa: For the record, Joe Rosa. I do not know...a long time before the County had a regular road maintenance crew that went around to patch roads and do whatever. I do not see that done anymore. I do not even see them coming into the residential areas, more on the edge of right-of-way and things like that there. There is a lot of things that they do not do anymore. I hear Lyle comes up here and they say that they reconstruct. Well as the State maintenance...I had to go out with the State maintenance crew to tell them to reconstruct an area that is a failure. It was not done by the contractors that is going to add to the cost of paving. You had the maintenance crews that had money set aside for road maintenance. We used go out and tell the maintenance department how much money do you have this year for maintenance, and they utilized that money. I would go out there and we had to dig a ten by ten (10x10), or a twelve by ten (12x10), or whatever and fixed it that afternoon by using asphalt treated base, bring up to the public, get it all ready for the contractor to come in and just pave the road. Not this double dealing that you have to...you had a road maintenance crew. You utilized that manpower. Those are the kind of things that I see the County, they do not run that thing right. The simple things that can be taken care of because it was not a failure sometimes. It was because there is a spring underneath there and that is not a failure. A spring would keep it wet and moist and just be spongy. Then it starts getting alligator cracks and then it starts spreading out from maybe a foot area go to four (4) feet or five (5) feet, and then you have to get down to the base because you have to put drain pipes underneath there, perforated pipe. All of these kind of things are part of maintenance. Talk is easy to say, but there are things of knowing about materials. When we go to paving classes, the engineers are not there. It is the inspectors. I never did see County inspectors at any of the seminars that I attended in Honolulu. So that is what I experienced coming in. I can back my experience against an engineering degree because I have a little bit more know-how by going to the seminars, and those were given by the paving companies. A lot of it is lack of maintenance too, as I say. If they do not grade the shoulders, then the water stays on the edge and another then you start getting it in between the cracks. Another thing...

Council Chair Rapozo:

Joe

Mr. Rosa: Yes, I am going to end it. Another thing, you do not use slurry seal on the main highway because it causes slick coat and causes accidents.

Council Chair Rapozo: Okay.

Mr. Rosa: You can use it on a basketball court, but not a highway.

Council Chair Rapozo: Thank you very much.

Mr. Rosa: Thank you.

Council Chair Rapozo: Thank you.

KEN TAYLOR: Chair and Members of Council, Ken Taylor. If the efficiency of the County operation was much better, I would be the first to approve a tax increase. Gas taxes should be increased, but under the circumstances, I find it very difficult to be supportive of it. I would look at a thirty cents (\$0.30), forty cents (\$0.40), or fifty cents (\$0.50) a gallon increase. I think that is where it should be for many reasons. But again, there is so many problems with the County operations that you cannot feel comfortable with moving forward with increasing taxes because we have no idea how much is going to get squandered off into other areas or something else happening to it, the job is not getting done, and down the road we are going to need more tax because we are still behind the 8-ball on getting the work done. Even if you could, over the next ten (10) years, get caught up on this one hundred million dollar (\$100,000,000) operation, by the end of ten (10) years, there is going another ten (10) years' worth of one hundred million dollars (\$100,000,000) worth of work that needs to be done, and it is going to be a vicious circle. It has to become a more efficient operation because the maintenance is going to go on and on and on. It needs to be addressed as an overall package to look at what is needed. One million dollars (\$1,000,000) a year certainly is not going to solve the problem when you have three hundred (300) miles of roadway to maintain. Something has to be looked at and a better plan putting together as to what you are going to do. You are talking about doing a catch-up on one hundred million dollars (\$100,000,000) worth of backlog work in ten (10) years, but what about all the work that is going to be needed at the end of that ten (10) years and the ten (10) years after that? I know we do not have to worry about it. We are going to be gone, right, so it is not a problem, but it is a problem. It needs to be the efficiency starting at this table, demanding that the Administration perform. Thank you.

Council Chair Rapozo: Thank you. Anyone else wishing to testify? Seeing none we will call the meeting back to order.

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Chair Rapozo: Is there further discussion? Again, this is just the Communication. We will be discussing the Bill and the Resolution later today. Councilmember Yukimura.

Councilmember Yukimura: I want to say that Hardy Street and Rice Street were not in their essence repaving jobs. They are or were and will be complete streets projects to encourage walking and biking. How will these complete streets benefit our community? They will get cars off the road and they will make those who are willing to do active transportation, i.e. walking, biking, and riding transit, healthier while they do car drivers a favor by moving around the island without getting into a car. I want to thank Lonnie Sykos for recognizing the vast improvement that the Department of Public Works has made in how they handle roads, both assessing and repaving. Five (5) years ago, we did not have a system for objectively assessing roads and costing out the repairs that are necessary. We did not have an actual cost, we did not even know what total bill was, and we did not have any plan as to how we were going to repave our roads. Now, we have all three (3). The Department of Public Works took about a year or more to find out the system, the software, the consultants that could show us how to assess these roads, and they have also come forth with the figure that we have to plan around, the cost figure, and they actually have a plan for repaving. Now we are saying "oh, but we still do not have enough to start addressing this problem." Well, if we do not have enough now, we will never have enough assurance of efficiency, and we are just going to let this problem grow bigger and bigger. Is that what we want to do? Well, if you want to analyze corruption or inefficiencies, let us do that, too, but to say we are not going to move on this problem that gets worse and worse every day that we delay it, does not make sense to me. I am hopeful that we will be able to somehow begin to address this issue and at least allow at a definite time, a place for the public to give testimony on this issue so that we can have complete understanding of what our choices are. I think people really do want to have their roads in good condition, and if they do not want to have it now, they will five (5) years from now, when it is going to get really bad. It is our job as leaders to look ahead and to address the problem before it gets worse.

Council Chair Rapozo: Anyone else? Councilmember Kagawa.

Councilmember Kagawa: Is this our time to speak?

Council Chair Rapozo: For the Communication.

Councilmember Kagawa: Well, I just want to kind of put into perspective. I mean, we are talking about why are we here? Why are we in this predicament? Let us start by where did the County start getting into this hole that we keep talking about? It was five (5) years ago that the state Legislature started capping the Transient Accommodations Tax (TAT). What that resulted in was a loss of about twelve million dollars (\$12,000,000) to thirteen million dollars (\$13,000,000) a year. Cumulatively, you are talking about fifty-two million dollars (\$52,000,000)

over the past four (4) years. In response, this Council, what they started to do three (3) years ago was they first removed the property tax cap. By removing the cap, that probably raised an initial ten million dollars (\$10,000,000) a year or so, and they increased the fuel taxes, the car registration fees, and the vehicle weight taxes. So you could say that you lifted the cap, you raised the vehicle taxes, and you more than made up for the amount, but basically I think it comes out to a wash with how the County was operating with four (4) or five (5) years ago. Again, that is before I came on-board, the TAT got capped. Again, I guess when you look at these taxes and you try and justify it to the taxpayers, what they are looking for is they are looking for some great outcome that is going to come if they are asked to pay more. I think Council Chair Rapozo touched upon it the other week when we talked about the GET because we all know that poor people have multiple vehicles just like people who are wealthy. Not everybody can ride the bus or walk to wherever they need to go to drop their kids to school. I mean, even Kapa'a low income. How do you walk from there to Kapa'a Elementary school? It is much too far. Is the bus reliable for them to go to the school? A lot of times, no. It leaves too early. So it is all about convenience and how people choose to drive and such is not for us here it tell them, "you have this option and you do that option" No. The taxes on the vehicles, we need to justify why we are doing it. I do not see the evidence have proven to show that if we raise these taxes, we raise your vehicle taxes another three million four hundred thousand dollars (\$3,400,000) with this passage of this Bill, three million four hundred thousand dollars (\$3,400,000) a year, that you will see improvements. I do not see it. I think we need to prove, the Administration needs to prove in small ways to the public that we can do the job and we are finally capable of doing the job. Then, I think we should consider this Bill. I think it is premature at this point. I applaud Councilmember Yukimura. When she puts these Bills forth on the agenda, it gives us time to discuss the flaws, the history, the future, and the present of where we are at. I think there is always good that comes out of that. It is not pleasant to discuss it sometimes, but at least for the public, you are getting multiple opportunities to hear about where we are at, why you look at certain roads such as Kawaihau Road. I just drove on that road and it is in terrible shape. It is a highly used road to get to school. We talk about Olohena Road. Before, there are complaints constantly coming to the Council about Waimea. They are saying behind the main highway in the town is bad. What are we going? Lucy Wright Park, that road going there is bad. Kalāheo, I just drove to Kalāheo to go to a party at Kai Ikena. Those roads are bad. The *makua* ones are bad. How are we going to get a plan in place that actually shows the taxpayers, here, you are going to be paying...what did we say, twenty dollars (\$20) a month more, and this is the benefit? Your roads are going to be looking better. I do not see the evidence. It is difficult for me to adopt this kind of legislation at this time. Thank you, Council Chair Rapozo.

Council Chair Rapozo: Is there any other discussion again?
Councilmember Yukimura.

Councilmember Yukimura: Yes. I just want to say for the average car, both the vehicle weight tax that has been proposed and the fuel tax that has been

proposed, would be five dollars (\$5) a month. I also want to say that I have taken in, in good faith, the comments about how we can make sure that the moneys that are raised by these increases are used for road repaving. The staff has developed an amendment, but until we act on the Bill, I will not be able to introduce that amendment. Right now, we are just talking about the Communication. I just want to let you know that I will be introducing that amendment when we come to the Bill and Resolution.

Council Chair Rapozo: Are there any other comments? I will just make my comments now and it will carry through to discussion of the Bill and the Resolution. We just had a discussion earlier today about how we should be only purchasing things that we absolutely need in these tough times, and likewise, I would say that taxpayers should not be subject to any increases in tax, any kind of tax, unless absolutely necessary. We just talked about a thirteen million nine hundred thousand dollar (\$13,900,000) surplus that Councilmember Kagawa talks about, that every year we have a surplus. Every year, this year, we will have a surplus. If you go throughout the year and you look at all of the unbudgeted objects or items or services that we have funded throughout the year, the Administration, as well as the Council's approval, what would that make that surplus? It would be more. It would be higher. I guess my point is it is not absolutely necessary at this time to raise taxes. I am not suggesting that we deplete the surplus or attempt to hit the surplus, but it all comes down to what are priorities are. Councilmember Hooser said best. If paving of roads are a priority, we have the money. We have the money. If we create efficiencies within the government, you would generate savings, which would add to the surplus or could be diverted to other priority projects such as paving. How do we identify the inefficiencies? I hear all of the audience saying investigate the bums, and do your job. Well, that is harsh investigation. There is no reason for me to believe there is any kind of malicious activity or behavior going on with the Administration, but I also believe that there is room for improvement for non-malicious reasons. In our office as well, we tried to do a couple of things here with the new Council to create better efficiencies and we have been successful, but there is always room for improvement. How do we identify that? Again, audits are best way. But when we identify the inefficiencies, then we make the adjustments. When we make the adjustments, that creates additional savings. Those savings equates to dollars that should be diverted to the priorities. That is how we do it. We just do not continue to feed the beast, I guess is what I am saying, and that is what I heard from several members going around, was that it is not about trust. It is about that we know and the Administration knows there are ways to be more efficient. Politically, it is always difficult because it may involve positions, it may involve warm bodies, and it may involve changes in the way that we do things, the cultural precedence that has been set, but the reality is, that is why you need an external organization or agency to come in and tell us these are what we recommend. Then it becomes a decision. We know there is room for improvement in all areas, but we have to identify that. With a thirteen million dollar (\$13,000,000) surplus, add in the inefficiencies that we could fix, that may be fifteen million dollar (\$15,000,000) surplus. There may be a sixteen million dollar (\$16,000,000) surplus, really. Now you take three million dollars

(\$3,000,000) of that and move it over to paving with the proviso that it can only be used for paving. Then you do not need to raise taxes. I have a hard time telling the people, "Hey, we just got off the subject that you cannot buy this or you cannot buy that. No trucks, no this or that, and then we are going to raise taxes." I think it is everybody's job, Administration, as well as this body, to try to explore how we can save more money and then again, as Councilmember Hooser, what I got out of his comments earlier on is it is a priority issue. It is not a money issue. We can choose to use General Fund money to fund paving projects. I think that is one of the General Fund money to use for paving? No. I think you create more efficient operations and save the money. As we go through the budget decision-making, each of us will have the duty and the responsibility to go through the lines and determine what can wait and what cannot wait. If paving is a priority, then maybe we should look for about three million dollars (\$3,000,000) or four million dollars (\$4,000,000) in savings that are not needed now and can wait until next year, or is there a cheaper way to do things that we do? That is what we are supposed to do and that is what I am hoping we will do this year in decision-making as opposed to just poof, we hope next year we have a better year because it is not going to happen. If we continue to do things the same way, I will guarantee you the results will always be the same. It will always be the same. We will never caught up to this problem. Anyway, I promise I will not reiterate that when we get to the Bill or the...and my light is off. With that, the motion is to receive.

The motion to receive C 2016-115 for the record was then put, and unanimously carried.

Council Chair Rapozo: Motion carried. It is 12:22 p.m. We have C 2016-116. I know we cannot get that done in next six (6) minutes. With that, I think it is appropriate to take our lunch break at this time and we will be back at 1:30 p.m. for the public hearings. I believe we have two (2) public hearings.

Ms. Fountain-Tanigawa: Waikomo Road and Līhu'e Planning District.

Council Chair Rapozo: We have two (2) public hearings at 1:30 p.m.
Let us be back at 1:30 p.m.

There being no objections, the meeting recessed at 12:22 p.m.

The meeting reconvened at 2:09 p.m., and proceeded as follows:

(Councilmember Kualii was noted as not present.)

Council Chair Rapozo: Can you read C 2016-116, please?

C 2016-116 Communication (04/28/2016) from Councilmember Yukimura, transmitting for Council consideration, a Proposed Draft Bill to amend Section 5-2.3, Kaua'i County Code 1987, as amended, to increase the motor vehicle weight tax for

all motor vehicles designed for carrying passengers and for trucks, or non-commercial vehicles by \$0.01, and an increase of \$0.02 for vehicles designed for carrying property.

(Councilmember Kualii was noted as present.)

Councilmember Kagawa moved to receive C 2016-116 for the record, seconded by Councilmember Kaneshiro.

Council Chair Rapozo: Thank you. Is there any discussion?

Ms. Fountain-Tanigawa: Chair, we do have registered speakers also.

Council Chair Rapozo: Okay. Councilmember Yukimura.

Councilmember Yukimura: Yes. Thank you. I just want to say this is a companion Bill so that we could change either Bill to meet our public policy needs. It increases the vehicle weight tax one cent (\$0.01) on passenger vehicles and two cents (\$0.02) on heavy freight commercial vehicles. I believe it would bring us up to what the rates are in Honolulu right now, which I think they needed in order to repair their roads, and for passenger vehicles, the most of it will cost is forty-four dollars (\$44) a year or less than five dollars (\$5) a month.

Council Chair Rapozo: Thank you. Are there any questions of the introducer before I call for public testimony? Councilmember Hooser.

Councilmember Hooser: The question about the forty-four dollars (\$44) a year, is that the most it will cost possibly?

Councilmember Yukimura: Yes, that it will add to. That is what it will increase the cost.

Councilmember Hooser: So what would the additional costs would be?

Councilmember Yukimura: Forty-four dollars (\$44).

Councilmember Hooser: Forty-four dollars (\$44)?

Councilmember Yukimura: Correct.

Councilmember Hooser: Thank you.

Councilmember Yukimura: Thank you.

Council Chair Rapozo: Are there any other questions? If not, I will suspend the rules with no objection.

There being no objections, the rules were suspended to take public testimony.

Council Chair Rapozo: Can we have the first registered speaker?

Ms. Fountain-Tanigawa: Chair, the first registered speaker is Glenn Mickens followed by Lonnie Sykos.

Council Chair Rapozo: Glenn.

Mr. Mickens: I will give my time to Walter Lewis.

Council Chair Rapozo: No. We are on the vehicle weight tax...do you know what? I apologize. We had scheduled the charter amendment at 1:30 p.m. following the public hearing. I had asked Peter Morimoto.

Councilmember Yukimura: So let us just leave this in suspension.

Council Chair Rapozo: Yes. Let us do that. I did ask Peter to let the staff know. Apparently, I did not let you know. If there is no objection, can we take the charter amendment discussion at least to allow Mr. Lewis an opportunity to testify because he has personal matters he has to take care of at home? Is there any objection to that? Thank you. With that, can we read the Resolution?

There being no objections, Resolution No. 2016-42 was taken out of order.

Resolution No. 2016-42 – RESOLUTION PROPOSING A CHARTER AMENDMENT RELATING TO THE INSTITUTION OF A COUNCIL-MANAGER FORM OF GOVERNMENT

(Councilmember Yukimura was noted as not present.)

Council Chair Rapozo: The ultimate motion, as I has said earlier, would be to refer this to the Committee on May 11th.

Councilmember Kualii moved to refer Resolution No. 2016-42 to the May 11, 2016 Committee of the Whole meeting, seconded by Councilmember Chock.

Council Chair Rapozo: Thank you very much. With that, I will suspend the rules. Mr. Lewis. How many people are willing to testify on this matter? Just one (1) more? Glenn, I thought you were giving your time to Walter.

Mr. Mickens: How much time did I have left?

Council Chair Rapozo: You had one (1) more minute after Mr. Lewis takes your three (3).

Mr. Mickens: I had three (3) more after that.

Council Chair Rapozo: No. You were giving three (3) minutes to Walter, you used two early, so you have one (1) minute.

Mr. Mickens: Okay.

Council Chair Rapozo: We are doing this to accommodate Mr. Lewis so he cannot get here. I do not want to see this happen every week where everybody is going to be giving each other their time. Anyway Mr. Lewis, you can proceed.

WALTER LEWIS: Good afternoon Councilmembers. I am Walter Lewis.

(Councilmember Yukimura was noted as present.)

Mr. Lewis: Thank you for the accommodation. Since 2006, I have studied the governmental organization generally known as the Council-Manager form of government. In essence, it consists of a qualified and experienced manager appointed by the Council to have responsibility for the administration of all of the County's operation. In my view, the system by reason of it is off stated characteristics of accountability, transparency, continuity, and efficiency would provide Kaua'i a far better government than the arrangement now in place. I would unhesitatingly recommend it to you, but I am not here today to praise the benefits of the system, rather, I am presenting testimony as to the specific proposal to amend your Charter that is being offered today to be submitted to the voters. It has been thoughtfully prepared to contain provisions that the Council might approve, but that should not be the ultimate purpose. The charter amendment should provide to voters the changes in the way the County is governed. What the voters are entitled to be given is a proposal that is restrictive to those terms that are required to create properly and implement the Council-Manager form of government. It may be attractive to some Councilmembers to include terms in the proposed amendment in addition to those required for the system, but the voters should be given a proposal that is free from riders. In other words, our voters should be given the opportunity for an up-and-down vote on the Council-Manager form of government itself without any embellishments. A prime illustration of this point is the provision in the draft proposal that would extend Councilmembers' terms, which have been always two (2) years, to four (4) years and to provide for staggered elections of the Council. This provision may have merit and may well be popular with Councilmembers who would need to stand for election only every four (4) years, but whether the Councilmembers have four (4) instead of two (2) year terms is not critical to the creation and implementation of the Council-Manager form of government, and the appearances of that provision are dreadful. In the proposal, many voters will see the Council as seeking to enlarge its powers and also extend their terms in a proposal made by the Council itself. There is also to be noted that efforts to extend the Councilmembers' terms have previously been before voters and have been rejected.

Excuse me. Public support for the Council-Manager form of government is growing, but its solidity is uncertain. The unneeded inclusion of term provisions is likely to seriously and perhaps fatally, jeopardize the passage of what should be limited to a proposal for the system. I could give other illustrations, and I have given Council Chair Rapozo, a list of items which I think may be considered in this regard.

Another provision of serious concern is the failure to give the county manager authority over the manager...

Council Chair Rapozo: I have to stop you there, you can go ahead with Mr. Micken's three (3) minutes.

Mr. Lewis: Do you wish me to go on?

Council Chair Rapozo: Yes.

Mr. Lewis: Thank you. Another provision of serious concern is the failure of the county manager authority being given over to the manager and engineer of the Water Department. It is anomalous to establish a county manager who should have responsibility for an authority over all County operations, but to make him only a partial county manager by withholding his powers over one (1) department. One of the strong selling points of the system is the accountability of the manager to the Council for effective operations of all of the various County functions. It is irrational to make this exception.

A second reason for avoiding this discussion is that the current Charter is flawed by giving the Board of Water the authority to manage the department. It is universal corporate practice that executives manages operations and Boards provide guidance and policy.

Councilmembers, I have one (1) other critical point I would like to make. The measure you are considering today may well be the most important one you will ever have. The future of our County will depend on how efficient our County government is. Each of you has probably formed your own view about the proposal, but there is a huge difference between your vote on adopting the manager proposal and your vote on whether a resolution should be submitted to the electorate for their vote on the matter. Regardless of your personal views, when in due course, you vote on submission of the measure, I believe you will be derelict in your duties if you deprive our voters of the opportunity to decide on the form of government that they wish to have on this island.

In conclusion, I would strongly urge you one, to avoid condemning the proposal to death by poisoning it with previously voter rejected provisions regarding Council terms of service; and two, by failing to give the manager authority over all of the County's operations and not providing the trademark accountability that the Council-Manager form of government should have. Thank you very much.

Council Chair Rapozo: Thank you very much, Mr. Lewis. Next speaker.

Ms. Fountain-Tanigawa: The next speaker is Norma Doctor Sparks.

Council Chair Rapozo: Norma.

Ms. Sparks: Good afternoon, Norma Doctor Sparks. I had some comments about working under an executive. I actually worked under that kind of system in Santa Clara, which is Silicon Valley as well as Los Angeles County. As a department head, it was easy for me to actually manage the departments that I was involved with because the message was very clear, in their case, the Board of Supervisors laid out exactly what we had to do and the executive would just make sure we would follow that through. There was not a lot of confusion about how things should be managed. When I was a Deputy Attorney General for the State of Hawai'i, one of the departments that I advised and counsel was Department of Commerce and Consumer Affairs (DCCA). I was very involved with the Boards and Commissions for the State of Hawai'i. I agree with the previous speaker in that the Boards and Commissions that might have been under the presented or that may at this present time be given an autonomous right to manage their departments should not occur, that all departments should go under a county manager.

I also wanted to have a clarification that two (2) years may not be enough. I think it is very interesting that it does talk about local experience rather than just government because I for one, although I would not be applying, would not qualify because most of my work has been, for example, in the State of Hawai'i. People who have worked for the State and managed and had been appointed would probably not qualify because of the word "local." Also, the idea of administrative. I think the word "administrative" could also be clarified so we are not talking about administrative assistants who are generally secretarial work, et cetera, but it should be someone who has been an administrator or a manager.

The other area that I wanted to also talk about is that it should be made very clear that the county manager serves at-will and at-will of the Council. It is very difficult in Los Angeles and Santa Clara County to actually get rid of a county manager because it was required to have all nine (9) or all five (5) votes in order to remove them. The present proposal talks about having a public hearing as to whether or not the county manager should be released. I think that having that provision is not a good thing for this County. It would just allow all of this drama to occur in the public when it actually could be a personnel issue. Thank you very much.

Council Chair Rapozo: Thank you. Are there any other registered speakers? Anybody else wishing to testify? Mr. Sykos.

Mr. Sykos: For the record, Lonnie Sykos. When I looked at this on the internet, I was shocked to see in there the provisions about changing

the terms for the County Council. The political term for that is corruption. You have corrupted the process of the manager, right? You have already had discussions about your terms. That is a completely separate issue and it has nothing to do with the county manager. Whether your terms are for six (6) months or six (6) years, it has nothing to do with the county manager's job. I think you should take that out of this because it is problematic. It introduces an entire issue into this question about whether a manager would better service or not by drawing into the politics of your terms. The whole point of having a manager is to try and remove politics from the Administration of our tax money. That is never possible to do entirely. As one of the basic foundations of how our system works, all through our legal process there is a differentiation between people who are elected to office who are politicians, and people who are hire or appointed. Appointees are also considered political figures, whereas people who are hired are public servants, which is not to say that the elected people are not as well.

(Councilmember Kagawa was noted as not present.)

Mr. Sykos: What is problematic with the political side of it is the short-term benefit of making decisions that are popular to get votes, lead ultimately to long-term problems like we have been talking about today, our one hundred million dollar (\$100,000,000) shortfall in fixing our roads. We are in the position we are in with our roads because of political decisions that were repeatedly made in the past. It was political decisions to take all of the money out of repaving roads and use that money to hire, pay for new personnel, and to expand other County services. So that is the point of having a manager, to keep us on-track and to try and keep political expediency out of our day-to-day operations. Thank you.

Council Chair Rapozo: Thank you. Anyone else wishing to testify for the first time? Ken.

Mr. Taylor: Chair and Members of Council, Ken Taylor. I support this proposal or Resolution moving forward. I think the important thing that each of you have to remember is that by sending this to the voters, it is not necessarily saying that you support it or do not support it, but you are doing the job that you are supposed to be doing by giving the people of the community the opportunity to make a decision how they want to be governed. That is the most important part of this process because they will make a decision and vote it up or down, and I think by cluttering it with any other activities at this point in time, is defeating the purpose of looking at the management style of government.

(Councilmember Kagawa was noted as present.)

Mr. Taylor: While I do not disagree that Council terms should be four (4) years and staggered, that is another issue and it should not disturb this. I would also like to say that many of the discussion items on this morning's agenda are just prime examples of why we need to consider moving forward with

looking at a different method of governing our community. As I say, the most important thing is giving the people of the community the opportunity to make the decision, one way or another, as to how they want to be governed. It is not your choice. It is just you are giving them the opportunity, and I think that is the most important thing at this point in time. I look forward to this moving forward, I hope that you will all see that it gets on the ballot in November, and the people have an opportunity to make a decision. Thank you.

Council Chair Rapozo: Anyone else wishing to testify for the first time? Second time? If not, we will call the meeting back to order...oh. You folks have to stand up or something. Do not fight back there, just somebody come up. Go ahead.

Mr. Mickens: Thank you. For the record, Glenn Mickens. I just wanted to say that I completely agree with testimonies of Walter Lewis and I believe you received copies of Carl Imperato's E-mails, particularly where Walter says that whether Councilmembers have four (4) instead of the present two (2) year terms is not critical to the creation and implementation of the Council-Manager form of government. Carl said "I believe that it is both inappropriate and unnecessary to bundle the undermining of term limits for the Councilmembers with the Council-Manager form of government proposal." Let us implement the Council-Manager form of government first and then get into the details like the terms later. Thank you, Council Chair Rapozo.

Council Chair Rapozo: Thank you, Glenn.

Ms. Sparks: Norma Doctor Sparks. I would like to continue about qualifications. I think that it would also be important not necessarily in the Charter, but at least in the recruitment and job description, to have the candidate have budgetary experience preferably with state and federal funding as well as working with bargaining units, employee unions. Both in California and Hawai'i, I have had to work with a number of different employee unions, and they very crucial to whether or not work can be done effectively within an organization. I like the idea of the non-residency and requiring someone to become a resident within ninety (90) days, because I think it lessens the requirement that someone knows Kaua'i, but places most of qualifications based on knowledge and experience.

The other thing I was concerned about is about the provision of having an acting county manager. I think that having an acting county manager should be limited. I have seen many times where someone is held in an acting position and then that acting position is used to qualify that person for the actual position. I know it happens a lot of times, but actually, I do think that in order to have the best person to do this work, particularly when the County is facing the kinds of financial issues that it is facing, that to have someone who is qualified from the get-go is most important. I think that the idea of having a county manager for the island of Kaua'i is a great idea. I do think though that people need to also understand that it does not necessarily mean that politics will not be involved with the county manager because

it does. Whenever someone is appointed by a political entity, that person then has to become a little political as well. However, having that consistent and direct direction is very helpful to managers and workers in any jurisdiction. Thank you very much.

Council Chair Rapozo: Thank you. Go ahead.

MAUNA KEA TRASK, County Attorney: *Aloha* Council Chair Rapozo and Members of the Council. Mauna Kea Trask, County Attorney. I just wanted to request, if I could, I have done a lot of historic research on this issue gearing up to be prepared to look at this proposal. I would like an opportunity to do a presentation to provide legal and historical context for this entire issue. I think a lot of testimony today, and I am sure a lot of people in the public, are not aware that this issue has been going on since 1961. The original proposal by the public administration system pursuant to Act 191 in the State Legislature originally recommended a Council-Manager form of government as pursuant to the report. That was actually rejected by voters of Kaua'i and the Charter Review Commission largely on recommendation of the Board of Supervisors at the time. There is also two (2) civil suits in 1966 whereby people sued for rid of mandamus in the Fifth Circuit Court to force the Charter Review Commission to bring this issue to the ballot this year, and the Court denied it saying that the public is such a big issue, they needed time to look at it, specifically this issue of local self-government, our home rule system, and what we want our system to look like deserves in-depth analyses. Some of the things that was said here today, for instance, the Water Department. I do not know if Mr. Lewis knows about Hawai'i Revised Statutes (HRS) 54, which provides for Board of Water Supply. I think there is a lot of good information out there that the people need to hear, input that you need to have, and input that they need to have. When this process started, the Charter Commission at that time in the 1960s, brought each and every department head to them, looked at what they needed to do, and asked them what would make their job better. I do not think that has happened either Charter Review Commission or here, so that is just my request. You can grant it if you would like, but I do have a lot of information I could provide as succinctly as I can. I think it would be good.

Council Chair Rapozo: Thank you. Anyone else? Mr. Sykos. The Water Department is not in this Resolution. It is irrelevant as to what HRS says because the Board of Water is not included in this proposal. Our laws are different from some places on the mainland, but anyway, go ahead, Mr. Sykos.

Mr. Sykos: For the record, Lonnie Sykos. I would like to thank Mauna Kea for what he just said to us and for all the research that he has done. We, the public, are very interested in learning what he has discovered. I would have to say that I am personally leaning towards wanting a manager versus the system that we have today. I am not in favor of what I read about with these riders attached to the manager's position, specifically the term limits. I think that it would be an act of wisdom for the County to get the information from our County Attorney

and digest that before we move forward with the terminology of what would go on the ballot. Thank you.

Council Chair Rapozo: Thank you. Anyone else wishing to testify?

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Rapozo: Before we start the discussion, again, the idea is to get this off to Committee where we will have the discussions and we can have Mauna Kea present a brief...I mean, we just want something really brief as far as the information that we need to know. A couple of topics I want to touch on that as said earlier, I know Mr. Sykos said this was a corrupted process by changing the term limits of the Council. Peter Morimoto and the Committee did a lot of work on this. The information in this proposal, which is our starting point, is really based off ICMA's model charter or their best practices. That does not mean we have to follow it, and we may not. I took offense to that, basically. We are going to go through this whole change in structural government so we can get four (4) years. I do not think that realistic and I do not think that is what is happening. We are following a model or best practices suggested by the international association because when the public asks, we have that backing, the support, of an organization that has been doing this for a very long time.

The other comment Norma talked about the local government. It says "in a local government." So whether your local government was in Santa Clara or New York, and the provision of not having to be a resident here, really opened the door for anyone throughout the Country from applying and being appointing to this position simply because you are not going to find someone here. That is just the reality of this. You are not going to find someone here that has county manager experience living on this island. So more than likely when we initially start this process should this pass, you are almost going to have to have someone with that kind of experience to do that transition.

Then as far as the bargaining units, one of the successes in the mainland that we are not enjoy here is the fact that many municipalities in the mainland negotiate their union contracts within their county. We do not do that here. We get one (1) vote in the State. So that county manager will not have the ability to negotiate with the United Public Workers (UPW) and Hawai'i Government Employees Association (HGEA). That is not going to happen. They will negotiate along with the other four (4) counties and the Governor, and remember the Governor only needs one (1) of the four (4) county votes to secure a contract. That is one of the differences between us here in Hawai'i and in the mainland. They were shocked when Councilmember Chock and I met with the existing county managers. When we told them how it is done here, they were flabbergasted, like what? Up there, they negotiate their only contracts within their jurisdictions. So it is a lot different.

Anyway, is there any further discussion? I just wanted to clarify some of the comments that were made earlier. Councilmember Kagawa.

Councilmember Kagawa: Thank you, Council Chair Rapozo. It is kind of difficult to vote to put this on the ballot when the other islands, especially City and County Honolulu, which is much bigger and they have all kinds of problems going on now especially with the rail and all of that mess that they have going on. They have not adopted this system because it is not a clear-cut improvement. A lot of it will depend on who we choose and how successful would that person be. I have seen enough failure in the University of Hawai'i, for example, where we have hired these athletic directors and presidents with all of these accolades, and they have turned out to be complete failures. My fear is that if we put this on the ballot, like Walter said, let the voters choose, they will not be choosing for the difference in government. What they will be voting on is how do I feel about the County government right now? Are there a lot of problems and do I think that voting for the Council-Manager form of government will make things better? A lot of them will check "yes," but in reality, if we have a failure as a county manager that may on paper have all the accolades that we desire and all the recommendations that they have been successful, and that person turns out to be a failure, then everybody suffers. The community suffers and nothing will get done. The Council's decision will be an everlasting failure of a decision. It is kind of difficult to put forth something like this on the ballot knowing that this is not a guaranteed improvement. A lot of it will depend on who we choose. If we choose somebody like a Ben Jay, or Mary Rita Cooke (M.R.C.) Greenwood, or what have you on paper being the success that they are and coming here and being a total flop. I think let us keep the system that we have, at least every four (4) years, if the people are not happy, they can vote the mayor out. They should look at that. If they are totally not happy, go in a different direction in two (2) years with the mayor's race. Go with somebody out of the box, but the voters have that choice. If we continue to vote the same mayor with the same people under them, you are going to get the same results. I think that is the power of the voters, is to vote out the mayor, vote out his administrative managing director, and with that, hopefully all of the top department heads and just vote a total change of direction. But we have not had that for the past twenty (20) years or so. We have basically the same old same old, and that is upon the voters. Not having different options with different managerial people, unfortunately, maybe it is not too glamorous to run for mayor and come with all of the headaches and expectations. Again, that is the choice that we have, and to bring in this person from the mainland and expecting Superman results, I think is unrealistic as well. I think we are wasting our time. I have said that before. Let us move on to more important business. Thank you, Council Chair Rapozo.

Council Chair Rapozo: Thank you. Anyone else? Councilmember Kaneshiro.

Councilmember Kaneshiro: I think it is no secret what my position is. We have heard it...I mean, we have had this issue come up a lot of times. There has been a lot of opportunity for testimony, for written testimony, and I have not really seen a

whole wave of testimony coming in saying that they want to see this change. Again, it all goes back to the question, what is wrong with our current system and how do we fix that? You hear efficiency, transparency, accountability, and continuity. Efficiency, a county manager will face the same challenges as Council-Mayor form of government faces especially with a highly unionized workforce that we have. Transparency, everything that the County does right now is open to criticism, unless it is in Executive Session. The County does work to be transparent. We have been moving towards the.opengov system where people can see the actual numbers of our budget and everything. Accountability, there is always accountability whether it is to the voters, the residents, or the Council. Continuity, how can the people wanting continuity comes up here and publicly support term limits?

We also hear cost-savings. There is nothing a county manager can do that a mayor and managing director cannot do right now. The cost of the Mayor's Office, we had a whole presentation on pros and cons. The cost of a Mayor's Office versus the county manager, there is no difference. A mayor can reduce the size of his office just as a county manager could.

The success of a government is determined more by the person in charge rather than the system. You can have a good mayor or you can have a bad mayor. You can have a good county manager or you can have a bad county manager. We are talking about here changing our entire structure of government, the entire thing. It shifts power to the Council, there is no separation of powers, and the voters lose the power to pick who is in charge. I do not think it is reasonable to solve our current problems by changing the entire system and expecting all of our problems to be resolved and this new system will have no flaws or repercussions. It has always been specifically identify what you do not like about our system right now, and let us work to fix that rather than change the entire system.

I have heard it is our obligation to allow citizens to vote on this. I do not think so. The citizens can decide. The citizens can initiate this with a charter amendment petition, and it takes five percent (5%) of the registers voters on Kaua'i, two thousand (2,000) voters, and the citizens can put this on the ballot. If citizens really wanted to push this, they could. Again, what is the problem now and how do we fix that? That is what I want to see. Keep our system of government, identify the problems, and fix that. We can look at ICMA best management practices and look at other examples, but we do not change our entire system. That is my opinion on it.

Council Chair Rapozo:

Thank you. Councilmember Yukimura.

Councilmember Yukimura: I would like to respond to Councilmember Kaneshiro's discussion. He says there is no major difference. I think there is one (1) major difference, and the one major difference is that the person who manages the County under the Council-Manager form of government is not elected. Under the strong Council-Mayor form of government, our present-day system, the Mayor is elected, and the positions and the department heads are sometimes politically

appointed not for their merit or their professional qualifications, but for their political connections. That is a major factor affecting the quality of County government. So that is the major difference, and I do not know how you can change it by a minor amendment to the present system.

Council Chair Rapozo: Is that it?

Councilmember Yukimura: Yes.

Council Chair Rapozo: Okay. Anyone else? Did you want to respond?

Councilmember Kaneshiro: I will respond in the whole thing what I think Councilmember Yukimura is talking about, is taking the politics out of situation. But you can look at any example. A Council-Mayor form of government and Council-Manager form of government is going to have politics no matter what. The county manager is going to be elected by vote by Councilmembers that are elected by the voters. I cannot remember what we had in here if it was a supermajority or just a majority, but there is going to be politics no matter what you do. When I said there is no difference, I meant there is going to be challenges no matter what. There is no golden egg system that is not going to present any challenges. We cannot expect voters to vote on this and say "this is going to be the perfect system with no problems" because that is not true. There will be problems and that is all I was trying to say.

Councilmember Yukimura: May I?

Council Chair Rapozo: Sure.

Councilmember Yukimura: I appreciate the response. I mean, I think that is what we are here to do, right?

Council Chair Rapozo: Exactly. This is a big change.

Councilmember Yukimura: Yes.

Council Chair Rapozo: This is not putting up a crosswalk, that is for sure. This is an attempt to change the structure of government. I appreciate the dialogue, I really do.

Councilmember Yukimura: I believe you are absolutely right, there is politics in both systems. I think the structure of one minimizes the politics, but does not eliminate it. As I said before, there are other pieces that have to be in place to really fulfill the purpose of a Council-Manager form of government. The ethics rules are really important. The procedure of securing or selecting department heads is also very important. If a county manager does not go through a process where there is an announcement and applications are solicited, and we go through a process such as what we have done with the County Auditor and the County Clerk in recent year,

that process could be very political. So setting up the process and setting up the qualifications are all important pieces. If you let that go, if you do not pay attention to those pieces too, you either create a good system or else a weak system for achieving what you want. The other accountability, I think, that is stronger in the Council-Manager form of government is that the manager has to produce results. So there is less incentive on the part of the manager to select somebody politically because they have to produce results, which is not necessarily true of the political system, and that is why we have the problems recurring over and over and over from administration to administration, from Council to Council, because we do not really solve the problem, and the people who make the decision about whether we are in office or not, are not really looking at whether the problems are really being solved.

Council Chair Rapozo:

Councilmember Kagawa.

Councilmember Kagawa: I will just again point to the University of Hawai'i presidency. We went from Evan Dobelle to Virginia Hinshaw to M.R.C. Greenwood. Three (3) bad managers in a row with all of the accolades from the mainland. So let us get real. The likelihood that we choose a manager that is not as good as he or she is on paper is very likely. How do you account that to the voters? This Council-Manager form of government that you voted for is going to be an option to the current one and it is worse. I mean, that is the fear.

Councilmember Yukimura: I think that is a very good point. The question is should the people of Hawai'i elect the President of the University of Hawai'i (UH)? Do you think we will get better results through a political process or is there a way that – I mean, there are corporations that have successfully found...

Council Chair Rapozo:

Councilmember Yukimura.

Councilmember Yukimura:

...a good leader. How do you do that?

Council Chair Rapozo:
hand up for a while. Go ahead.

I apologize. Councilmember Kualii had his

Councilmember Kualii: I will just say that I think it is an important consideration. I am willing to look at it in further detail to see what improvements are possible. I do think, however, that we should follow best practices. There are probably hundreds of cities that have been doing it for a long time and the research with ICMA says what it says insofar as best practices. It is best practice to have four (4) year terms and staggered. If you think about it, now, the new Council under this system will have full authority. We will not be the ones responsible or future Council will not be responsible for making all policy decisions. There will be no Mayor. There will be no Mayor to make decisions contradictory to Council decisions. The buck stops here. The county manager will manage operations, but he or she will come to the future Council every time there is a policy decision to be made. How about this, the biggest one I think, whatever powers the Council has now with budget

is not one hundred percent (100%). This Council can do what it does with the budget, right? Four (4) votes, five (5) votes, to add, to subtract. The Mayor can veto and what have you. If we thought it was important to have some new program that we funded and the Mayor disagreed, the money could be there and he could choose not to spend that. All of that money and all of the direction from this Council would not become action on behalf of the citizens. In this new system, this Council makes the final decision and that county manager, whether he or she likes it or not, needs do their job and implement the politic decision, if you will, that was made by this body. If they do not and five (5) out of seven (7) or whatever it takes, that person gets fired and the next person gets hired. What people are talking about as far as efficiency, is just the potential that the system would allow for political decisions to be made by one (1) entity alone without any kind of conflict and for the manager to just manage and just get the job done. I see that there is potential there, especially there is potential if a new manager came in and did a wholesale relook at the make-up of our operations. Council Chair Rapozo talks about consolidation sometimes. We have kind of put that back to the Administration for years, and they have been taking little tiny baby steps with the Vacancy Review Committee and doing some changes that lowers the budget a tiny bit, but when you are talking about one hundred eighty million dollars (\$180,000,000) even with a two hundred thousand dollar (\$200,000) or five hundred thousand dollar (\$500,000) cut, that is less than point five percent (0.5%). It is not going to get us to where we need go with a one hundred million dollar (\$100,000,000) backlog. The biggest power I see potentially in this system, is one (1) entity having one hundred percent (100%) control of the budget. Thank you.

Council Chair Rapozo:

Anybody else? Councilmember Chock.

Councilmember Chock: Thank you. For all of the reasons discussed today, I will be supporting moving this discussion forward and look forward to diving deeper into the proposal here. I think one, there has been a lot of work already done in putting this together and there are some sticking points that we need to continue to look at. The bottom line for me is this discussion that we are having does provide a few advantages to looking at the Council-Manager form of government. One of them is that there is less political division, in my opinion. The second is that it also provides an avenue for us to have some professional experience as opposed to no professional experience is what we are advocating for now. I would prefer to start the slate with having some background, and this avenue does provide that. When the mayor or manager is accountable by the request of a deciding body, then it is likely the outcome will be different.

I think the term limits can be discussed, and I would agree with those opposing the measure that there is no guaranty and there will be issues, guaranteed. Any transition such as this would have huge implications, but does that mean we should not aspire to a structure that might be more efficient towards a team vision towards more inclusiveness in the process? I think this might, and that is why I am supporting continuing this discussion. Thank you.

Council Chair Rapozo:

Councilmember Hooser.

Councilmember Hooser: I also will be supporting moving it forward for further discussion. At the end of the day, this will be one of the most if not the most important decision any Council has made in many years. Ultimately, the voters will decide, if in fact, this Council passes something out, the voters will be the ones that ultimately decide. I would encourage people in the community to understand how important this is and to engage the process, to actually go online and read the changes that are being proposed, perhaps watch some of these discussions, and provide their input into it. The devil is in details, ultimately, and the best ideas can fall to the wayside if the details are not worked out. I think that is going to be very important for all of us to look over the content of this measure, look at the details, and try to anticipate the various consequences, both intended and unintended. I agree the term limit issue for me, is not a deal breaker. I think best practice is staggered terms and the only way to stagger terms is four (4) year terms, I would think. I also agree that the perception of the community may not recognize that and may see it as well the Council is just trying to get more power to the Council, and that kind of thing. That kind of decision perhaps can be made later. I am going to be looking over the details. I also agree with what some of my colleagues who are opposing the measure have said, that we will not eliminate politics from the processes. I think we will reduce it to a great extent, perhaps, but the hiring is still a political process, and Councilmembers in the future, could very well try to influence the county manager in hiring jobs and opportunities, or that kind of thing. It is a process worth exploring, and if we can make it better for our community, I think we should take that step. I will be voting yes today. Thank you.

Council Chair Rapozo: Thank you. Councilmember Yukimura, you spoke three (3) times already. I know you were responding to Councilmember Kaneshiro, so I will let you go ahead and wrap it up.

Councilmember Yukimura: Thank you. If I have been asked whether I would support this Council-Manager form of government several years ago, I would have said adamantly no because I have been on the Council body for many years and I have seen how the Council selected its Clerk. We did not have an auditor position way back, so it was mainly the Clerk and some of our attorneys. It was never announced or advertised. It was done sometimes just by the Council Chair and sometimes very politically. I would back then have no confidence that we could select a professional person on an objective basis based on qualifications. But in the last four (4) years or so, I have really seen an improvement. I have seen that it can actually work to select a professional clerk and auditor. Kudos and commendations to our staff, who have helped set up that process and also to all of the Councilmembers, who have...and Council Chair Rapozo, who have really wanted such a process because the majority of this Council could have easy said, "No, we will just pick whoever we want," and that is how it has happened in the past, either the Chair has said it or else four (4) people have agreed. I have more faith now that we

might be able to do this in a professional way that honors the trust that the people of this island put in us and could lead to a better government. I am hopeful.

Council Chair Rapozo: Thank you. Anyone else? Well, let me just again, respond to some of the comments made earlier. First of all, I want to thank the Committee that was formed and looked into this. They did a lot of work. It frustrates me when people accuse this Council of being part-time because that is the part they do not see. They do not see the countless meetings that go on. Councilmember Kaneshiro, Councilmember Chock, and Councilmember Kualii spent a lot of time on this. I just want to say thank you. Again, if I wanted it to be a political thing, I would be on the Committee and kick Councilmember Kaneshiro off because I wanted someone that was not fully embraced in the concept on that Committee, and that is why I selected Councilmember Kaneshiro so he could provide that opposing, if you will, eyeballs. I want to thank the Committee and especially Councilmember Chock for doing...Councilmember Chock is over here and we are having our discussion and workshops, and he is E-mailing ICMA with the connections that he has established over the last year or so. Thank you all for that.

One of the things I think Councilmember Kaneshiro mentioned that the voters would not be able to pick who is in charge anymore, and that is not true because the voters would still pick the Council and the Council would be in charge. The county manager is going to be in charge of his appointees and he is going to be in charge of the function, the executive, the managing, but at the end of the day, the Council will be in charge and there will be no question like Councilmember Yukimura said or Councilmember Kualii said. When the Council makes the determination...if this morning did not convince you that we need a different system, nothing will. It happens more and more frequently now, where we are here asking questions, I do not know, I have to get back to you. I really do not know that number. I mean, really, that is the reality of it. Of course we will have challenges in a new system. To expect that we will not is just not realistic, but how long have we had the strong Council-Mayor form of government? Dating back to...I do not know who the first mayor was. Who was the first mayor? You had a Board of Supervisors, but I do not know who the first mayor was. Councilmember Yukimura, you are not that old, right? It was not that long ago, right? I am going to pick on Councilmember Yukimura because she was a mayor. We always had challenges and then the next mayor had challenges, and then the mayor after that had challenges. Every system will have challenges, but it is not working. It is not working.

Then I have to address the UH because Councilmember Kagawa is exactly right. UH hired some horrific people, but the difference is the public did not vote for the people who appointed those horrific people. It was done by a president or a committee. They do not have accountability to the public. That is the big difference. We do. If the Council picks...let us say I think it requires five (5) to pick this person. So if five (5) Councilmembers could go out there and first of all, five (5) have to agree on somebody. That is going to be challenging. Just say five (5) goes out and agree on a person, chances are with today's diverse Councils, look at it historically. When I

started, there was a clear majority and that is hard to get nowadays. So to get five (5) of a Council to pick one (1) person with the credentials that are outlined in this amendment, it is going to be difficult. It will be political to a certain extent. Our auditor position is a good example of a process difficult to fill because of some requirements, nonetheless the pay, and so forth. The process is a good process. Again, the requirements set forth by the amendment would ensure that whoever is selected at least have the basic experience, knowledge, and education to move this process forward. I am excited, but Councilmember Hooser said it best, that it is probably most important decision this Council or any Council will ever make because should this pass, it is going to change the way business is done on this island forever. It is significant. What gets me, this has been in discussion for how long now? A long time, months, and not one (1) article in the paper. They write about everything else, but something as significant as this, you would think would get some ink, but none. She left today because I do not know, maybe she has her deadline. Would you not want to write about this thing? This is major. The public obviously is going to have to pay attention and be informed because this is going to be a very big decision. Anyway, the motion is to refer to the Committee. Is there any further discussion?

Councilmember Yukimura: Was there a motion?

Council Chair Rapozo: There was a motion, Councilmember Kualii's extended motion that was corrected.

The motion to refer Resolution No. 2016-42 to the May 11, 2016 Committee of the Whole meeting was then put, and carried by a vote of 5:2 (*Councilmembers Kagawa and Kaneshiro voting no*).

Council Chair Rapozo: Okay. 5:2. Thank you very much. Motion carried. Next item, please.

Ms. Fountain-Tanigawa: Chair, would you like to go back to page 3, C 2016-116?

Council Chair Rapozo: Yes. Thank you for you allowing me to divert the schedule a little bit. Okay. I forgot where we were to be honest with you. Oh, that is right. We were going to do public testimony.

Councilmember Kagawa: I just have a clarifying question.

Council Chair Rapozo: Go ahead please.

Councilmember Kagawa: This can be to the staff or Councilmember Yukimura or whoever worked on this item. Can you reiterate, it will be one cent (\$0.01) increase to the passenger vehicles, and two cents (\$0.02) to the freight? Is that what it is?

Councilmember Yukimura: Yes, freight vehicles.

Councilmember Kagawa: And a two cent (\$0.02) increase to the freight. The two cents (\$0.02) would be about seven hundred thousand dollars (\$700,000), and the one cent (\$0.01) is one million five hundred thousand dollars (\$1,500,000). Are those the totals?

Councilmember Yukimura: It would be three million two hundred thousand dollars (\$3,200,000) minus seven hundred thousand dollars (\$700,000).

Council Chair Rapozo: Yes. Two million five hundred thousand dollars (\$2,500,000) would be from the private vehicles.

Councilmember Yukimura: Passenger vehicles.

Council Chair Rapozo: Passenger vehicles.

Councilmember Kagawa: What?

Councilmember Kualii: Two million five hundred thousand dollars (\$2,500,000).

Councilmember Kagawa: Two million five hundred thousand dollars (\$2,500,000) would be raised from the passenger vehicles?

Councilmember Yukimura: Yes.

Council Chair Rapozo: Correct...no. Seven hundred thousand dollars (\$700,000) would be from the passenger vehicles.

Councilmember Yukimura: No, freight vehicles.

Council Chair Rapozo: I mean, yes, from the freight vehicles.

Councilmember Kagawa: Seven hundred thousand dollars (\$700,000). Oh, I had it opposite. The heavy vehicles, the commercial vehicles, would be about seven hundred thousand dollars (\$700,000)?

Council Chair Rapozo: Correct.

Councilmember Kagawa: And the passenger vehicles would raise how much?

Councilmember Yukimura: Two million five hundred thousand dollars (\$2,500,000).

Councilmember Kagawa: Two million five hundred thousand dollars (\$2,500,000), so a total of three million two hundred thousand dollars (\$3,200,000)?

Council Chair Rapozo: Correct.

Councilmember Yukimura: Yes.

Councilmember Kagawa: Per year. Okay, thank you.

Council Chair Rapozo: That was the Department of Finance's estimate based on the current weights that we have on the island.

Councilmember Kagawa: Thank you. I appreciate that.

Council Chair Rapozo: Is there any other discussion?

There being no objections, the rules were suspended to take public testimony.

Council Chair Rapozo: Is there anyone in the audience wishing to testify on this? I know we had registered speakers, Jade.

Ms. Fountain-Tanigawa: Yes.

Council Chair Rapozo: Can we start with the first one?

Ms. Fountain-Tanigawa: The first registered speaker was Glenn Mickens.

Council Chair Rapozo: He is gone.

Ms. Fountain-Tanigawa: Followed by Lonnie Sykos.

Mr. Sykos: Good afternoon, Council. Lonnie Sykos, for the record. Council Chair Rapozo, I had a question in trying to understand this. The seven hundred thousand dollars (\$700,000) for the commercial vehicles and the two million one hundred thousand dollars (\$2,100,000) for private vehicles, is that new money or is that total revenue including the new money?

Council Chair Rapozo: New.

Councilmember Yukimura: New money.

Mr. Sykos: If I am reading this correctly, we will be raising the rate one cent (\$0.01) per pound?

Councilmember Yukimura: For passenger vehicles.

Mr. Sykos: For passenger. So we have basically got...

Councilmember Yukimura: Well, actually...

Mr. Sykos: ...two hundred million (200,000,000) pounds of passenger vehicles in order for one cent (\$0.01) to make that kind of money? I am just trying to understand the figures. I am not disputing them. I am just trying to understand them.

Councilmember Yukimura: Yes.

Mr. Sykos: The observation that I will have that I have not made before in the past, times money here, is what is problematic for especially the poor with the vehicle taxes is that you are required it pay all of it at one (1) time whereas the gasoline tax is spread out every time you go to the gas station. From one (1) perspective, it is death by one thousand (1,000) cuts versus death by one (1). The flipside of it is at the gas pump, incrementally, it is much easier to budget for and handle than it is to lose even forty dollars (\$40) or whatever is a lot of money if you do not have forty dollars (\$40). Thank you.

Council Chair Rapozo: Thank you. Did we have any other speakers?
If not, Mr. Taylor.

Mr. Taylor: Chair and Members of Council, my name is Ken Taylor. I am opposed to this. One of the problems with continuing adding tax to registration is that I have no choice where when you put the tax on the gas, I can now make a decision how much I use my vehicle and whether I want to pay to buy the gas or not. It becomes a very difficult situation for people with fixed incomes and low incomes where you are forced, if you want to own an automobile, to pay higher and higher taxes. Registration fees should only be covering the costs of the registration operation. It should not be to make money for road repairs and so on. That should be under the gas tax and that is why I said earlier if the efficiency of the County operations was at best, then I would be happy to support forty cents (\$0.40) to fifty cents (\$0.50) a gallon tax to cover the cost of road maintenance and that activity. As I said, with gas tax, I have a choice. I can make the decision to buy or not buy. With registration, I have no choice. I have to register and pay the tax. Please pass this on. Thank you.

Council Chair Rapozo: Thank you. Anyone else wishing to speak?

Ms. Sparks: Norma Doctor Sparks. I oppose any tax at this time because of my same concerns that I expressed earlier that I said in my testimony previously. Thank you very much.

Council Chair Rapozo: Thank you very much. Anyone else wishing to testify?

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Rapozo: Councilmember Yukimura.

Councilmember Yukimura: Yes, thank you. I just want to say that if we were to pass this, this would bring us up to what Maui is at this point. People have said Maui has nice roads or nicer roads. So it is not like it is getting us outside of reality. It is much less than Honolulu has right now in terms of an individual car owner and how much they have to pay. So that is just another fact I would like people to know. Again, if we do not do something, the costs will get bigger, the bill will get bigger.

Council Chair Rapozo: Councilmember Hooser.

Councilmember Hooser: There is no question that we need to take action on our roads, and we have had some of this discussion. I did not have comments earlier, but I think there are other ways to approach this issue. Though I am open to the discussion, having a public hearing, and letting the public weigh-in, I will not be supporting an increase in either the fuel tax or the weight tax as we sit here today. Again, I think there are other ways to fund it. To put it into perspective for many people, I just registered my car, my small truck, three thousand (3,000) pound small Toyota pickup truck. It cost me one hundred eighty dollars (\$180), which at minimum wage, is almost a week out of someone's life when you look at their gross pay and their net pay. People on fixed income, the one hundred eighty dollars (\$180), and that is without the increase. The weight tax increase is about a thirty percent (30%) increase. It goes from two cents (\$0.02) to three cents (\$0.03) so something like that, or one cent (\$0.01) to three cents (\$0.03). It is a large increase. I understand incrementally, it might sound like much, but when you take the fifty dollar (\$50) increase and you add it on to what you are already paying, it is significant. I think we need to look at other ways of shifting the burden away from local residents to possibly the visitor industry and/or just getting our priorities in order and taking general funds to repair our roads. We do need to repair our roads, but raising taxes at this time is not an option for me. Thank you.

Council Chair Rapozo: Thank you. Councilmember Kagawa.

Councilmember Kagawa: It is just funny how the timing of things...on Friday, I had a call from a good friend that he owns a delivery business. He delivers paper goods, meats, and whatever. He said that he calculated this year's increase and it was five hundred dollars (\$500) per truck, his delivery vans. He did not even know that we had a bill coming up that will increase it another two cents (\$0.02). That increase there that he got that five hundred dollar (\$500) increase was based on a half a cent (\$0.005), and we are going to go two cents (\$0.02) up from the three dollars (\$3) and go to five cents (\$0.05) on freight vehicles. The question he had for me, besides did I vote on it, which was no, was what am I getting for that additional

five hundred dollars (\$500)? Please tell me. What is being done with that? That is why I had the questions today for the Department of Public Works. What roads have we fixed, because the freight business benefits nothing from the bike path or the walking path? Zero (0). They will benefit by having better roads so they do not have to fix their vehicles from the bumps or when they fix tires that get damaged. I could not answer that question, and I have his name if any of you want to call him because you all know who he is. If you could answer that for him, I think he will have an easier time understanding why we increased it the last time, because so far what I heard today was that whatever increases we made in the past from 2013 all went to subsidize growing labor costs and whatever costs in all departments including roads, transportation, automotive, and auto maintenance. We did not apply any of the increases to repave any more roads. With that logic, how can we expect to raise another four million four hundred thousand dollars (\$4,400,000) more per year and expect that our Department of Public Works and County Engineer will be successful in doing any significant improvements? I have zero (0) confidence right now in our road repaving ability. Seriously. I think what the Administration needs do is they need to get a plan together to us, a short-term plan, and come to us with some type of request on a limited scale, maybe half the size of the four million four hundred thousand dollars (\$4,400,000), and perhaps this Council in its wisdom of scrutinizing the budget can come up with a majority of those funds through our budget cutting. I myself, have at least one million five hundred thousand dollars (\$1,500,000) that I will be proposing. If we are looking at two million two hundred thousand dollars (\$2,200,000), you folks all find one hundred thousand dollars (\$100,000) each and we will be close to that. Let us prove to the public we can do it on a small scale before we consider giving them four million four hundred thousand dollars (\$4,400,000) and expecting that we are going to see any significant improvements because the previous three million eight hundred thousand dollars (\$3,800,000) that we raised did nothing in that area of improving roads, zero (0). All we did was we supported the growing government and more government waste. Thank you, Council Chair Rapozo.

Council Chair Rapozo: Thank you. Councilmember Yukimura.

Councilmember Yukimura: I just have a question for Vice Chair Kagawa.

Councilmember Kagawa: Yes.

Councilmember Yukimura: It was five hundred dollars (\$500) more? Was that the increase or was that the total bill?

Councilmember Kagawa: That is what he said, but I do not know if he is...sometimes when businessman are upset, they exaggerate a little bit. I do not know.

Councilmember Yukimura: Okay.

Councilmember Kagawa: I can give you his name, if you want.

Councilmember Yukimura: Okay.

Councilmember Kagawa: Thank you.

Councilmember Yukimura: I want to say that I really appreciate all of the questions, additional concerns, and prospective raised. For one thing, I do not think we can find any service that has not increased in cost because of inflation whether it is airline fares or the cost of food or whatever, there is this increase and therefore, we know that we have had to...one of our errors in governance has been to not increase registration fees, or planning fees, or whatever for years. Prior to the last two cents (\$0.02)/two cents (\$0.02) increase in fuel tax, we had not raised the fuel tax for fourteen (14) years. That is why when we wait that long, then the jump has to be higher in order to cover just inflation. It is actually wise to increase it a little at a time regularly and I see that Maui has started to do that. I think even our departments have started to review fees. So to have that in place, and two cents (\$0.02)/two cents (\$0.02) is nothing more than that, actually I think. So that is one (1) thing we have to keep in mind. The other thing is I do not think that the two cents (\$0.02)/two cents (\$0.02) went to waste because one, it covered inflation of fourteen (14) years, and two, I think enabled us to expand bus services up until 10:00 p.m. and on weekends. That is a return on investment, and that costs one million dollars (\$1,000,000) more each year. I believe that helped many families. The ridership skyrocketed because people could go to work and then they could come home from work, when the bus service went to until 10:00 p.m.

The last thing I want to say is Council Chair Rapozo has said "Let us cut two million dollars (\$2,000,000) to three million dollars (\$3,000,000)." Every time we have done that, collective bargaining increases have soaked it all up again. So that is the trouble. Then we have a status quo budget, and I agree there is still waste we can look for. The Police Department have cut overtime, Solid Waste Division has cut overtime, and they are all starting to try to do that. But just the status quo budget is not what we have been elected to do because we have been elected to look into the future and what kind of services we need into the future. Bus service is one of them, which eventually is going to help in so many ways, from global warming to healthier communities. We have to have a way to reasonably expand the budget. I agree with you all, we have to keep pressing on efficiency of service.

Council Chair Rapozo: Anyone else? Councilmember Kualii. It seems like déjà vu.

Councilmember Kualii: For one thing, I think we have to stop blaming collective bargaining increases and we have to start thinking about every year during the budget, there are many vacant positions and it is our chance to delete positions and to reorganize this County so that it is working more efficiently. Collective bargaining increases are out of our direct control as far as negotiated Statewide. The

Mayor has one (1) vote. From the lowest level of our staff, they are doing an important job in providing the services that we are trying to provide, but we have control of the budget, and there are plenty of vacant positions. We are chipping away at it only little by little. We have got to do more. Keep working at it when we come up to the budget.

As far as all of this with the fuel tax or the vehicle weight tax, I think we have to look at it and break it down. How much vehicle weight tax and fuel tax is enough every year to collect to do the average maintenance needed every year? We are at that rate already. What we are trying to do by increasing the rates to make up for a one hundred million dollar (\$100,000,000) backlog is impossible. We are never going to be able to raise it enough. We need to separate that out and not try to slam it all on now with such a huge increase and make up for fourteen (14) years of no increase. We have to find another way. There is at least three (3) or four (4) other options that we have talked about in the budget, other sources. The one idea that I am pursuing is the potential charter amendment. This is not the way to do it, not to address the one hundred million dollar (\$100,000,000) backlog.

Council Chair Rapozo: Anyone else? This is just the Communication. We will have more opportunity to speak when the Bill hits. I am hoping that...

Councilmember Kualif'i: You are confusing us when you do some together with the resolution...

Council Chair Rapozo: Well, that was more so that we can expedite the process. I am going make my comments here and when we get to the Bill and the Resolution, I expect to vote. I obviously will not stop anyone from making comments, but my intent is once we get there, everything has been said, and we can proceed with the vote. But if everyone else is done, I will make my comments here, and again, I will not make it later. Just a few words that came to mind as I was listening to the testimonies of everybody including the Administration, anxiety, stress, frustration, anger, mistrust, these emotions are what go through our public's minds on a daily basis. When everyone reads in the paper "Council considering tax/fee increase." I am going read this E-mail. I am not going to mention names because it was a personal E-mail, but it is from someone that apparently watches this broadcast live. I am going read it because I think it pretty much speaks, and that is why I do not need a public hearing, for me personally, because this is the consistent response I get from the public when I am going through me daily routines. It says, "Council Chair Rapozo, please help me understand why once something is voted down two (2) months later, it is proposed in a different way over and over just like the raises that we just did until it passes? Why do not you just cut the overspending instead of taxing us to death? Maybe some Councilmembers have money to throw away, but half of the island does not. You just keep presenting the idea until people are tired and then pass it. You all need to open your eyes and see the overspending, but nobody wants to say no in an election year or any other year. The budget keeps growing, but nothing gets better. You all make the decisions for everyone and I guess if you have the money

to pay the increase, then it does not affect you. You Councilmembers, are supposed to represent the people, so cut the budget and find the money there.” This is the most compelling part. It says, “Please do not say it is only two cents (\$0.02) in fuel and forty-four dollars (\$44) in weight tax. Forty-four dollars (\$44) is someone’s family’s grocery bill. I have a hard time understanding where Council is coming from saying it is only a few cents.” That just came in a while ago. We have to make this decision.

I commend Councilmember Yukimura. To come out with a tax increase this close to an election one would argue that it is political suicide. So I commend her. She is right. We have got to get the money somewhere. I think Councilmember Hooser knows about the barking dog bill years ago where he caught some major flack, rotten shrimp, eggs, and everything else, but it takes guts to put something like this out. As I spoke with Councilmember Yukimura the other day, I feel her desperation because where do you get the money? The State capping us on the TAT did not help. That just irritates me to no end. If we had gotten our fair share, this would not be on the table today. It would not be here. We would not be even discussing this today, but we are because it is one (1) option to raise revenues to fix the roads. I agree with some of my colleagues here, that there has to be another way, that we have got...we talk about collective bargaining. Collective bargaining is not the issue that I see is the problem. What the problem is, and I may do this when we do decision-making, compare our staff’s salaries from Council Services and compare it with their cohorts or counterparts across the street. You will see that the salaries of personnel across the street that do what our staff on this side of the street does is double. So what? As the Chair, do I say, “Do you know what? Let us just up all of ours.” That would be irresponsible. At some point, somebody has to assess what the tasks and duties are and make some adjustments. But that is what the problem is. We have too many employees getting paid too much money. That is the problem. How do you fix that? Councilmember Kuali’i is right. We get the vacant positions, that is how. You do it through attrition. You do not go out there and kick people out of their seats get rid of their livelihoods, but we have to start by attrition and as positions are no longer needed, you get rid of it, not dollar-funded. No. You get rid of it because the dollar-funded position create an opportunity for the Administration to hire a contract position, which takes up more and more money. No. Get rid of it. You do not need it. If you have not hired for six (6) months and you are functioning, you do not need it. Get rid of it. We operate with three (3) people less now than we did last year and we function. They struggle, but we function, and I expect the same from across the street. Until that happens, I have a really tough time making the people pay in taxes. I am done. With that, this is a Communication to receive.

The motion to receive C 2016-116 for the record was then put, and unanimously carried.

Council Chair Rapozo: Motion carried. Do you know what? We are going to take a caption break. Sorry, BC. Ten (10) minute recess.

There being no objections, the meeting recessed at 3:37 p.m.

The meeting reconvened at 3:45 p.m., and proceeded as follows:

Council Chair Rapozo: Next item is Claims.

CLAIMS:

C 2016-117 Communication (04/12/2016) from the County Clerk, transmitting a claim filed against the County of Kaua'i by GEICO Insurance as subrogee for Lilane Corpuz, for damages to her vehicle, pursuant to Section 23.06, Charter of the County of Kaua'i.

C 2016-118 Communication (04/20/2016) from the County Clerk, transmitting a claim filed against the County of Kaua'i by DTRIC Insurance as subrogee for Cale Akana, for damages to his vehicle, pursuant to Section 23.06, Charter of the County of Kaua'i.

C 2016-119 Communication (04/21/2016) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Allstate Insurance as subrogee for Deldrene Robia, for damages to her vehicle, pursuant to Section 23.06, Charter of the County of Kaua'i.

Council Chair Rapozo: Can I get a motion, please?

Councilmember Kagawa moved to refer C 2016-117, C 2016-118, and C 2016-119 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Councilmember Kaneshiro.

Council Chair Rapozo: Thank you. Is there any discussion? Is there any public testimony?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

The motion to refer C 2016-117, C 2016-118, and C 2016-119 to the County Attorney's Office for disposition and/or report back to the Council was then put, and unanimously carried.

Council Chair Rapozo: Motion carried. Next item.

COMMITTEE REPORTS:

PUBLIC WORKS / PARKS & RECREATION COMMITTEE:

A report (No. CR-PWPR 2016-06) submitted by the Public Works / Parks & Recreation Committee, recommending that the following be Received for the Record:

“PWPR 2016-05 Communication (04/11/2016) from Council Chair Rapozo, requesting the presence of the Managing Director, the County Attorney, and the Acting County Engineer, to provide a briefing on solid waste solutions as it relates to Fiscal Year 2016-2017 budget appropriation requests,”

Council Chair Rapozo: Can I get a motion?

Councilmember Kualii moved for approval of the report, seconded by Councilmember Chock.

Council Chair Rapozo: Is there any discussion? Is there any public testimony?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

The motion for approval of the report was then put, and unanimously carried.

Council Chair Rapozo: Next item, please.

PUBLIC SAFETY COMMITTEE:

A report (No. CR-PS 2016-03) submitted by the Public Safety Committee, recommending that the following be Approved on second and final reading:

“Bill No. 2623 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 15A OF THE KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO THE KAUAI COUNTY FIRE CODE,”

Councilmember Kualii moved for approval of the report, seconded by Councilmember Kagawa.

Council Chair Rapozo: Is there any discussion? Is there any public testimony?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

The motion for approval of the report was then put, and unanimously carried.

Council Chair Rapozo: Next item, please.

HOUSING & TRANSPORTATION COMMITTEE:

A report (No. CR-HT 2016-02) submitted by the Housing & Transportation Committee, recommending that the following be Approved:

“C 2016-100 Communication (04/01/2016) from the Housing Director, requesting Council approval to decline the repurchase of Unit No. 701 in Ho’okena at Puhi, 2080 Manawalea Street, Līhu‘e, Hawai‘i, Tax Map Key (TMK) (4) 3-3-003-036-0041, and grant the owner a one-year waiver of the buyback provision to allow for the market sale of the property by the owner,”

Councilmember Kuali‘i moved for approval of the report, seconded by Councilmember Kagawa.

Council Chair Rapozo: Thank you. Is there any discussion? Is there any public testimony?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

The motion for approval of the report was then put, and unanimously carried.

Council Chair Rapozo: Motion carried. Next item.

COMMITTEE OF THE WHOLE:

A report (No. CR-COW 2016-05) submitted by the Committee of the Whole, recommending that the following be Approved as Amended on second and final reading:

“Bill No. 2624 – A BILL FOR AN ORDINANCE APPROVING A COLLECTIVE BARGAINING AGREEMENT FOR BARGAINING UNIT 14 BETWEEN JULY 1, 2015 AND JUNE 30, 2017,”

Councilmember Kuali‘i moved for approval of the report, seconded by Councilmember Kaneshiro.

Council Chair Rapozo: Thank you. Is there any discussion? Is there any public testimony?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

The motion for approval of the report was then put, and unanimously carried.

Council Chair Rapozo: Thank you. Motion carried. Next item, please.

Resolution No. 2016-41 – RESOLUTION TO RE-AUTHORIZE THE NOMINATION OF ENTERPRISE ZONES FOR CONSIDERATION AND DESIGNATION BY THE GOVERNOR OF THE STATE OF HAWAII: Councilmember Kagawa moved for adoption of Resolution No. 2016-41, seconded by Councilmember Kualii.

Council Chair Rapozo: Your amendment, Councilmember Kualii.

Councilmember Kualii: I have an amendment?

Council Chair Rapozo: It is a housekeeping amendment.

Councilmember Kualii moved to amend Resolution No. 2016-41 as circulated, as shown in the Floor Amendment, which is attached hereto and incorporated here in as Attachment 1, seconded by Councilmember Kagawa.

Council Chair Rapozo: Thank you. With that, I am going to suspend the rule and have Mr. Costa, who has been patiently waiting to explain what this is all about.

There being no objections, the rules were suspended.

GEORGE K. COSTA, Director of Economic Development: *Aloha,* Council Chair Rapozo and honorable Councilmembers. For the record, George Costa, Director for the Office of Economic Development. The Enterprise Zone program was started back in early 1990s by the State Legislature and the Department of Business, Economic Development & Tourism (DBEDT), basically for job creation. It was or is a partnership between the State, County, and private businesses to one, maintain jobs and also stimulate job creation. The Lihue Enterprise Zone started twenty (20) years ago in 1996. It just expired April 30th. Right after that, in 1997, the Kapa'a Enterprise Zone, which includes Anahola, was created. Also that same month, the North Shore Enterprise Zone was created, which includes Kilauea and Hanalei. Then a couple months later also in 1997, the West Kauai zone, which includes from Port Allen all the way to Kekaha was created. Then lastly, what is now called the South Central Zone from 'Ele'ele, Port Allen all the way to Hanamā'ulu. I am here before you today in hopes that this Resolution will be passed. What we are doing now is because the Lihue Enterprise Zone expired, we are incorporating it...the recommendation of DBEDT is to incorporate the Lihue zone as part of the South Central zone. So the South Central zone becomes one (1) major zone to be included with the other three (3) zones on Kauai. This reauthorization would extend the four (4) enterprise zones for Kauai for another twenty (20) years. The main benefit

of the enterprise zone is that new companies or existing companies have an exemption from the General Excise Tax for a period of seven (7) years. During the seven (7) years, they file annual reports mainly to show job growth or job creation in those companies. Currently, Kaua'i has nineteen (19) companies that are part of the Enterprise Zone Program. In the 2014 annual report, it showed that these nineteen (19) companies generated five million five hundred thousand dollars (\$5,500,000) worth of revenue, and these nineteen (19) companies that are still part of the program for seven (7) years, have created fifteen (15) jobs so far. It is a great benefit for our business community, and I would like to ask for your assistance in helping to pass this Resolution that we can extend the enterprise zones for another twenty (20) years. Thank you.

Council Chair Rapozo: Thank you. Councilmember Hooser.

Councilmember Hooser: Thank you for the information. Could we find out the nineteen (19) companies, who they are, the nature of their business, and which district they are located?

Mr. Costa: I have the list of companies that I can forward to the Council. There is a list of eligible industries for the enterprise zone. As far as the eligible companies, they are in agriculture, manufacturing, wholesaling, aviation, and marine maintenance and repair. Those are the four (4) categories that...excuse me. One (1) company is in Information Technology (IT) for Kaua'i. I have a breakdown of those companies and I can forward that to the Council.

Councilmember Hooser: Okay. I might have them here.

Mr. Costa: Yes. I provided it in a handout earlier.

Councilmember Hooser: Okay.

Council Chair Rapozo: Councilmember Yukimura.

Councilmember Yukimura: Thank you for your presentation, George. You said nineteen (19) companies created fifteen (15) jobs and you gave another statistic?

Mr. Costa: Five million five hundred thousand dollars (\$5,500,000) revenue generated in 2014.

Councilmember Yukimura: Five million five hundred thousand dollars (\$5,500,000) revenue generated.

Mr. Costa: By those nineteen (19) companies. The 2015 report is not out yet. We will be soon getting that from DBEDT.

Councilmember Yukimura: And that meant that we forewent a certain amount of excise tax?

Mr. Costa: Right.

Councilmember Yukimura: So it would be what, four percent (4%) of the five million five hundred thousand dollars (\$5,500,000) revenues?

Mr. Costa: You could do an estimate. I contacted DBEDT to find out exactly, but they do not actually get the returns from these companies. They have a form that is submitted to DBEDT that shows revenue. They do not actually receive the income tax reporting forms from the companies, they can guesstimate just by the revenue generated, but they cannot exactly go to print and say two hundred thousand dollars (\$200,000) of General Excise Tax was foregone.

Councilmember Yukimura: What was the guesstimate?

Mr. Costa: About two hundred thousand dollars (\$200,000) from the five million five hundred thousand dollars (\$5,500,000).

Councilmember Yukimura: Over seven (7) years?

Mr. Costa: No, that was just for 2014.

Councilmember Yukimura: For one (1) year?

Mr. Costa: Right.

Councilmember Yukimura: Okay. I mean, I noticed there is small businesses and mainly start-ups. Those are the kinds of businesses we want to encourage, so that is good. I just wanted to know the facts behind it.

Mr. Costa: Thank you.

Council Chair Rapozo: Councilmember Hooser and then Councilmember Chock.

Councilmember Hooser: Do you have a breakdown of you said five million dollars (\$5,000,000)?

Mr. Costa: Right.

Councilmember Hooser: Is it broken down among these businesses?

Mr. Costa: I can get it from DBEDT.

Councilmember Hooser: Okay.

Mr. Costa: Right now, the report shows who the companies are and it shows by industry what the revenue was, but it does not show by company. I am sure I can get that.

Councilmember Hooser: Okay. I noticed most of the businesses here are very small businesses or small start-ups, but I also see Agrogenetics Inc., which is DOW AgroSciences.

Mr. Costa: Right.

Councilmember Hooser: And they are presently suing the County of Kaua'i.

Mr. Costa: Right.

Councilmember Hooser: Do they qualify for this as well as Aunty Lilikoi?

Mr. Costa: Yes.

Councilmember Hooser: Okay. Do you need this approval today?

Mr. Costa: Yes, that would be...

Councilmember Hooser: I mean, is it time sensitive?

Mr. Costa: It needs go to the Governor seeking his approval. It goes to DBEDT and then the Director, Luis Salaveria, sends a request to the Governor to extend the enterprise zones for another twenty (20) years or re-authorize.

Councilmember Hooser: Okay. I would like to see a breakdown of who is getting all of the tax benefits, if possible, before I vote on it.

Mr. Costa: Okay.

Councilmember Hooser: Thank you.

Council Chair Rapozo: Councilmember Chock and then Councilmember Kualii.

Councilmember Chock: George, can you clarify if it is a ten percent (10%) increase? Is it in revenue or is it employee based annually in order to be eligible for the program?

Mr. Costa: For a new business, it is a ten percent (10%) increase for employees. If you have, like I will say Monkeypod Jam is one of the companies. So she is the sole proprietor. She started with one (1) person, herself, and she needs to show an increase ten percent (10%) every year for seven (7) years. So at the end of seven (7) years, she at least needs to add one (1) more employee, and the same can be said for other companies with more employees. Every year, they should show a ten percent (10%) increase in the labor force.

Councilmember Chock: So after seven (7) years, Monkeypod Jam needs to have how many more?

Mr. Costa: One (1) employee.

Councilmember Chock: Just one (1) more employee?

Mr. Costa: Right.

Councilmember Chock: Thank you.

Council Chair Rapozo: Any more questions? Go ahead. I forgot you. Go ahead.

Councilmember Kualii: The Resolution is just to extend the existing zones, the zones that cover our County?

Mr. Costa: Right.

Councilmember Kualii: All of the business or economic areas on the island is covered in one of these zones?

Mr. Costa: Right, the entire island of Kaua'i is covered.

Councilmember Kualii: It was five (5) zones and now it will be four (4).

Mr. Costa: Four (4).

Councilmember Kualii: And South Central is incorporating Lihu'e, which used to be its own separate zone?

Mr. Costa: Right.

Councilmember Kualii: All we are going for the State is reconfirming that we are renewing these zones?

Mr. Costa: We support the Enterprise Zone Program.

Councilmember Kualii: But the program is a State program?

Mr. Costa: Right.

Councilmember Kualii: Run by DBEDT.

Mr. Costa: Run by DBEDT, but as I mentioned, it is a partnership. So depending on the Counties, they have additional benefits.

Councilmember Kualii: Right.

Mr. Costa: Other Counties have more tax benefits.

Councilmember Kualii: The State benefit is one hundred percent (100%) exemption from GET and eighty percent (80%) non-refundable income tax credit first year?

Mr. Costa: Right.

Councilmember Kualii: But on the County benefits, it says "each County government also offers additional benefits that may include one (1) or more of the following..."

Mr. Costa: Right.

Councilmember Kualii: And it has property tax adjustment, zoning or building permit waivers or variances, and priority permit process.

Mr. Costa: Right.

Councilmember Kualii: Our County only primarily has the expedited permit process?

Mr. Costa: Right.

Councilmember Kualii: We do not have tax breaks?

Mr. Costa: No, we do not.

Councilmember Kualii: Those tax breaks are State provided tax breaks?

Mr. Costa: Well, the County can add tax breaks, but I do not think we are in that position.

Councilmember Kualii: But right now we do not have them?

Mr. Costa: Yes. When we have start-up companies, they usually ask me or our Office of Economic Development (OED) staff members for assistance in their permitting to help with the process, and that is County's benefit. So far, they have been appreciative of that.

(Councilmember Kagawa was noted as not present.)

Councilmember Kualii: Thank you.

Council Chair Rapozo: George, does the County have any part in who gets to get this benefit? It is the State, right?

Mr. Costa: The State, yes. They have an online process. It used to be manual where you get the form, you fill it out, you mail it to State or you fax it to the State, and now it is all online. Any interested company can go online and register with State, and then the State determines if they are eligible, then they become part of the program.

Council Chair Rapozo: Right. I guess what I am saying is it is an objective process. It is you meet the qualifications or you do not.

Mr. Costa: Right.

Council Chair Rapozo: I hear Councilmember Hooser's concern about specific businesses, but we do not have any say whether or not they are eligible, right?

Mr. Costa: No.

Council Chair Rapozo: The State makes that determination.

Mr. Costa: The State makes that determination.

Council Chair Rapozo: But we need to have these zones re-authorized...

Mr. Costa: Right.

Council Chair Rapozo: ...so that the other businesses or all of the businesses can benefit from this program, correct?

Mr. Costa: That is correct.

Council Chair Rapozo: I read the brochure when we met the other day and I was not really aware of the benefits. I think the reason why we only have 19 companies is because they are not aware.

Mr. Costa: Right.

Council Chair Rapozo: I would suggest that we set up an agenda item for Councilmember Kualii's Committee, and maybe can you coordinate with DBEDT a good day that they can be here as well, so we can really have that discussion and that information for the businesses and people considering using the Enterprise Zone Program because it is a benefit. It is an economic driver.

(Councilmember Kagawa was noted as present.)

Mr. Costa: Right.

Council Chair Rapozo: That is something that I think that we can coordinate. I am not sure how long it will take to get the DBEDT people here, but I would definitely want to see that in the Committee.

Mr. Costa: Okay. They have offered to come if need be. As I mentioned, it is a partnership. From the County level, we will continue to help promote the program. In the annual report, it shows the small business fair that we conduct. So far, we have had three (3) small business fairs, plan to do that on an annual basis. We will have a booth setup for the Enterprise Zone Program. What we are looking at for the County website more specifically on the OED portion is promoting the enterprise zone, and then the other part is working with Jon Lekavich with Small Business Development Corporation. When he does his how to start a business, we will be part of that as well. There is a lot of outreach that we can to really promote the program. But I will send that request to DBEDT and see when they can be here.

Council Chair Rapozo: And then just work with our staff so we can get it on.

Mr. Costa: Okay.

Council Chair Rapozo: Councilmember Hooser.

Councilmember Hooser: I want to thank Council Chair Rapozo for making that recommendation. I think that is good. I will be supporting this. I understand it is a State requirement. I am just a little taken aback when I see a multi-national corporation next to Auntie Lilikoi saying that they get a one hundred percent (100%) exemption from General Excise Tax and all of these benefits for a company that is that large and that is suing the County of Kaua'i. It is a bit troubling, but I understand that the County is not responsible for that.

Mr. Costa: Right.

Councilmember Hooser: For making those rules. I do hope, and I will put this in writing, that there is some transparency. Even though the State is giving these benefits, the County is enabling the benefits to happen and participating as a partner in this. I would think that there is some transparency as to following the rules, if you would. One of the rules is that at least half of the annual gross receipts must be from certain activities et cetera, et cetera. I would hope that information about those activities will be forth coming from DBEDT and through you.

Mr. Costa: Okay.

Councilmember Hooser: I will put something in writing to you. I appreciate your work and I know you do not make the rules. Thank you.

Mr. Costa: Thank you.

Council Chair Rapozo: I know that you said you would send it over in writing, but any questions about the enterprise zone, if you could send it over to George so he can obviously be prepared to answer when it does show up. Again, it is not a top-top priority, but I think the sooner we can get it on...there a lot of people right now contemplating starting a business, small business.

Mr. Costa: Right.

Council Chair Rapozo: I think this is a good tool for new business start-ups to utilize. Great benefits. At least give them a chance at success. The State keeps making it difficult for businesses to survive. At least this one program benefits. We will work on that. Any more questions for Mr. Costa? If not, thank you, George.

Mr. Costa: Thank you.

Council Chair Rapozo: While the rules are suspended, is there any public testimony? Mr. Sykos.

Mr. Sykos: For the record, Lonnie Sykos. Well, I am embarrassed to say that I have never heard of this before. I have been a serial entrepreneur since 1978 in this State. Even here on Kaua'i, one of the businesses I started, I decided to shut down because of my start-up operating expenses. One of the things that really grinded me was even though I was losing money, I had to pay GET. This is a rough one staring at your checkbook, writing a check to pay taxes on your losses. It is not very much incentive to go into business. This is a great program, and thank you Council Chair Rapozo, for getting the County and the State together to come in and give the public some more information about this because it is absurd that there is only nineteen (19) companies taking advantage of this. Utterly absurd. We need to take advantage of the opportunities that state gives us to promote developing businesses on Kaua'i. My thanks to George for coming here, making his presentation, and bringing this to the attention of the public. We look in forward to

hearing from the Office of Economic Development, both the County and the State. Thank you.

Council Chair Rapozo: Anyone else wishing to testify?

There being no further testimony, the meeting was called back to order, and proceeded as follow:

Council Chair Rapozo: Is there further discussion? If not, roll call.

Ms. Fountain-Tanigawa: Chair, we have to vote on the amendment.

Council Chair Rapozo: Yes, let us vote on the amendment. Let us just do a voice vote on the amendment.

The motion to amend Resolution No. 2016-41 as circulated, as shown in the Floor Amendment, which is attached hereto and incorporated here in as Attachment 1, was then put, and unanimously carried.

Council Chair Rapozo: Okay, back to the main motion. Roll call.

The motion for adoption of Resolution No. 2016-41 as amended was then put, and carried by the following vote:

| | | |
|-----------------------|-----------------------------------|------------|
| FOR ADOPTION: | Chock, Hooser, Kagawa, Kaneshiro, | |
| | Kuali'i, Yukimura, Rapozo | TOTAL – 7, |
| AGAINST ADOPTION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0, |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Rapozo: Next item, please.

Resolution No. 2016-43 – RESOLUTION DETERMINING THE COUNTY OF KAUAI FUEL TAX RATE AND REPEALING RESOLUTION NO. 2013-47, DRAFT 3

Council Chair Rapozo: Can I get a motion, please?

Councilmember Yukimura moved to approve Resolution No. 2016-43 on first reading, schedule Public Hearing for June 1, 2016, and refer to the Budget & Finance Committee, seconded by Councilmember Chock.

Council Chair Rapozo: Thank you very much. Any further discussion? Councilmember Yukimura

Councilmember Yukimura: I think it is a matter of stewardship. We have to *malama* or take care of the infrastructure that supports life on Kaua'i, that supports economic development, and that supports people getting from place to place. When I spoke of collective bargaining, I was not trying to blame that. I was talking about a fact of budget, and in a way, it is part of inflation. It is just something that is a fact of our budgeting. I know people have said there has...

Council Chair Rapozo: I really hate to interrupt you, but I can hear the side bar. Was your motion was to approve on first reading and schedule public hearing. I think we just...

Councilmember Yukimura: Oh, a Resolution...

Council Chair Rapozo: Yes.

Councilmember Yukimura: I am sorry.

Council Chair Rapozo: Only because I do not want us to get into that, so you could just restate the motion.

Councilmember Yukimura: Thank you.

Council Chair Rapozo: And just leave out the approval on first reading. Thank you.

Councilmember Yukimura moved to schedule Public Hearing for June 1, 2016, and refer to the Budget & Finance Committee, seconded by Councilmember Chock.

Council Chair Rapozo: I apologize for interrupting you. You can start all over. Reset her time, please.

Councilmember Yukimura: No, I do not have to start all over. People around here have acknowledged that it is a problem, but nobody has yet really come up with a solution. I would like to ask that at least we have it fully vetted, discussed, and go through the process. If at the end and we have gone through the budget decision-making we find that we do not need it and we have really found another way to address the problem, then I will be happy to vote against it myself. I just want it on the table as part of problem-solving because we do have a big problem in front of us and we need to look at all options. Maybe we will just want to keep the fuel tax and do away with the vehicle weight tax, although it is the weight that is causing a lot of damage. So there is some relevance to looking at weight tax. We can still do half a cent (\$0.005) per pound or we can do a quarter cent (\$0.025) per pound. We have the option if we have a vehicle for that kind of problem-solving.

Council Chair Rapozo: Councilmember Hooser.

Councilmember Hooser: I have a process question. This is on the Resolution and we have the Bill coming up. Do we need both of them?

Council Chair Rapozo: Yes.

Councilmember Hooser: Is that the way it works?

Council Chair Rapozo: Yes.

Councilmember Hooser: Okay. I am not going to be supporting the fuel tax. I have some discussion on the weight tax, but I am not going to be supporting the fuel tax.

Council Chair Rapozo: Anyone else? Councilmember Kaneshiro.

Councilmember Kaneshiro: I held my comments from the...I think we are on the Consent Calendar or Communication this whole time. My position on this is what it was two (2) months ago when we had it up. We have the GET vote coming up, and my position has always been to throw the broader net out. Bigger tax base with GET, if that does not pass, then we start looking at other options, and that was the point I made last time and that is the point I am going to make again this time. So I am not ready to vote on a fuel tax or vehicle weight tax. We look at our taxing options. If improvements are what we going to focus on, I would rather do a broader tax first with a bigger tax base. If that fails, then we look at other tax bases or other options. If GET does not pass, that is gone. We will not have that option again, we go back to the drawing board, and we look at what we do. That has been my opinion from the start; take the bigger tax base, bigger amount of money. GET is going to bring in the amount of money we need to help do the infrastructure. This is only bringing in a portion of the money and it is a smaller tax base. If we wanted this to cover what our immediate needs are, then the fuel tax needs to be twenty-five cents (\$0.25) or all of these other thing would have to be raised double or triple. Again, look at bigger net and bigger tax base, and if that does not pan out, then we look at our other options and go back to the drawing board, which play include something like this.

Council Chair Rapozo: Councilmember Chock.

Councilmember Chock: Thank you, Council Chair Rapozo. I will be leaving my comments here as well. This is really about the measures all discussed today in the Communication including the vehicle tax. I think the question is really about do we want to solve this road maintenance issue. Of course what I have heard consistently is that we do. How we do that, of course, is really the question. We currently budget...what was it? Two million four hundred thousand dollars (\$2,400,000) every two (2) years for our road. At this rate, we will never catch up to the one hundred million dollar (\$100,000,000) deficit. We currently have these options of the GET before us, which is as short as next week where we will be hearing

it for our last time. I am not convinced that we have the support to move that forward at this point as well. It is about looking at all of the options and continuing discussion. I think I have heard around the table, I think Councilmember Kagawa said that there was an appreciation that we do continue to have this discussion to figure out how to best approach this. I fully agree that we have ignored this too long, but I do not think we will fix years of avoidance with one (1) sweep because I think it will be too much burden on the taxpayers all at once. We have not heard any real solutions in testimony. While I did not support the first iteration of this Bill, the fuel tax and the vehicle weight tax, the first time around, I think at the very least, this is a little more palatable to start the discussion on. In lieu of the GET decision, I would like to continue that discussion. I believe the solution is in a combination of funds including building financial efficiency and savings as we have talked about today. I think those, as was mentioned in testimony, need to come first. That being said, any increase will negatively impact our community members, and I understand that. I take that very seriously. I will not move forward on any tax without a clear pathway for how it is that we are going to be delivering these services. Thank you.

Council Chair Rapozo: Anyone else? If not, I think I have made my comments. The motion is to schedule a public hearing for June 1st. Roll call

The motion to schedule public hearing on June 1, 2016, and referred to the Budget & Finance Committee was then put, and failed by the following vote:

| | | |
|-----------------------|--|------------|
| FOR MOTION: | Chock, Yukimura | TOTAL – 2, |
| AGAINST MOTION: | Hooser, Kagawa, Kaneshiro, Kualii, Rapozo | TOTAL – 5, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0. |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

Council Chair Rapozo: Next item, please.

BILLS FOR FIRST READING:

Proposed Draft Bill (No. 2630) – A BILL FOR AN ORDINANCE AMENDING SECTION 5-1.1, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO THE COUNTY FUEL TAX: Councilmember Kagawa moved to receive Proposed Draft Bill (No. 2630) for the record, seconded by Councilmember Kualii.

Council Chair Rapozo: Is there any discussion? Is there any public testimony?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Rapozo: Roll call.

The motion to receive Proposed Draft Bill (No. 2630) for the record was then put, and carried the following vote:

| | | |
|-----------------------|---|------------|
| FOR RECEIPT: | Hooser, Kagawa, Kaneshiro, Kualii, Rapozo | TOTAL – 5, |
| AGAINST RECEIPT: | Chock, Yukimura | TOTAL – 2, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0. |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

Council Chair Rapozo: Next item.

Proposed Draft Bill (No. 2631) – A BILL FOR AN ORDINANCE AMENDING SECTION 5-2.3, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO MOTOR VEHICLE WEIGHT TAX

Council Chair Rapozo: Can I get a motion?

Councilmember Kualii moved to receive Proposed Draft Bill (No. 2631) for the record, seconded by Councilmember Kagawa.

Council Chair Rapozo: Councilmember Hooser.

Councilmember Hooser: I was not quick enough. I was going to support a motion to approve. I do not support the measure as it is written now and would vote against it in a heartbeat. I do believe that it might serve as a vehicle. Councilmember Chock and I have been at numerous meetings with the attorneys and staff from the Administration on the possibility of taxing rental cars or charging them a fee, and to me, that would be an appropriate way to shift the burden from residents to visitors who I believe use our roadways disproportionately in excess, if you would, to residents. Residents drive to work and home every day, and visitors drive around all day long. I believe that there is a nexus to and a valid reason to charge the visitors more. It is possible, but we were still in discussions that we could amend this measure to have it apply only to car rentals and increase it to an amount. For discussion purposes anyway, that might be equivalent to one dollar (\$1) a day. A three hundred dollar (\$300) car weight tax on rental cars could very well generate two million five hundred thousand dollars (\$2,500,000) and not be an excessive burden to the industry, in my opinion. There is still a lot of discussions to be had to see if this is a possible path, but I think that it bears looking into and therefore, I wanted to support this measure as a vehicle to have that discussion, to accelerate the discussion, and to explore that possibility. I was hoping that we would keep this measure alive. I will be voting against the motion to receive for that reason. Thank you.

Council Chair Rapozo: Anyone else? Councilmember Chock.

Councilmember Chock: Yes, thank you. Thank you, Councilmember Hooser, for bringing up the discussion. It has been something that we have been discussing offline for quite a bit. I think we certainly want to look for continued ways to answer the issues that we have before us when it comes to roads. With the absence of the TAT or the lifting of the cap of the TAT, we think that perhaps this may be a vehicle for us to look at moving forward. I will also be voting against the receipt of this Bill at this time. Thank you.

Council Chair Rapozo: Anyone else? Councilmember Kagawa.

Councilmember Kagawa: Thank you, Council Chair Rapozo. If you look at the history of the motor vehicle weight tax, and I will just go to 1978, that was when they increased it a quarter of a one cent (\$0.025) for the passenger vehicle and they lifted it one cent (\$0.01) for the freight vehicle in 1978, and that was from previous legislation done in 1974. They waited four (4) years. The next change came in 1999, twenty-one (21) years later. They increased the passenger vehicle by half of a cent (\$0.005) and freight vehicle went up to by half of a cent (\$0.005) as well. So twenty-one (21) years later now from 1978 to 1999. Then in 2014, or I believe it was in 2013, the Council enacted without our votes, Chair and I believe Councilmember Hooser may have voted no as well. But they waited fourteen (14) years from 1999 to 2013 to raise it point zero seven five cents (\$0.075) for the passenger vehicle and half of a cent (\$0.005) for the freight vehicle. As you can see, when these changes are made, you are talking fractions of a penny. It is taking us twenty (20) years and then thirteen (13) years, and then here we are now three (3) years later, we want to make a big jump by one cent (\$0.01) for the passenger vehicle and full two cents (\$0.02) for the freight vehicle. I mean, if that is not just outrageous, I do not know what it is. I think taxpayers look for consistency and business people look for consistency in their bills. We are still not quite out of recession and it is scary to think that we are saying well, we need these drastic changes. We just raised it two (2) or three (3) years ago and we have got to raise it again or else, yes, we will not pave roads. I think that is pretty...those excuses are very lame. I think in 2013, nobody from the Administration or Council mentioned that these increases to the fuel taxes and motor vehicle weight taxes were going to just be subsidizing departments that grew. I think the message I heard at least, I am not an elephant, I do not recall word-for-word, but what I heard was that we are going to get the users to pay for the paving that is to come from the adoption of the legislation. What did they get? They got some improvements alright, lots of crosswalks, flashing crossing crosswalks, sidewalks, lots of bike paths, lots of curbs, and a lot of planters. That is what we got. What did the vehicles get? What did the owners of the commercial vehicles get in the amount of improved roads? Zero (0), and we are going consider legislation like this again? I think we need to do the right thing. Let us let the Administration show us some baby steps of how they can get the job done, and then maybe that will lead to some confidence from this body. Thank you, Council Chair Rapozo.

Council Chair Rapozo: Did you have a question?

Councilmember Kualii: Or a statement and then a question, and then you tell me who can give us the answer.

Council Chair Rapozo: Go ahead.

Councilmember Kualii: I am interested in what Councilmember Hooser talked about that him and Councilmember Chock talked about as far as rental cars and what have you. Who can tell us if this Bill dealing with motor vehicle weight tax can even be used as a vehicle for one dollar (\$1) a day on a rental car surcharge, if you will?

Councilmember Hooser: I can respond.

Council Chair Rapozo: Councilmember Hooser.

Councilmember Hooser: The one dollar (\$1) a day is not what we are proposing. That was an example of the impact on the industry. We do not have a legal industry to charge one dollar (\$1) a day. We do have the legal authority to charge vehicle weight taxes, and it is a way to describe the impact only the industry that could be one dollar (\$1) a day. We do not have that authority, but have the authority to charge weight taxes.

Councilmember Kualii: The only authority is in something like this where you would actually isolate one (1) industry or one (1) group of vehicles?

Councilmember Hooser: The existing motor vehicle registration system offers five (5) or six (6) classes of charges.

Councilmember Kualii: And right now, all classes pay the same rate?

Councilmember Hooser: I am not in a position to really explore it fully right now, but the thought was to use this as a vehicle. I will consult with my phone here and answer your question, if I could. There is passenger vehicles, motorcycles, commercial vehicles, and trailers. There are five (5) classes, and one (1) of them is empty. The question is can we use empty class or can we add classes. The concept is similar as our property tax structure. We have the legal authority to charge property taxes and we have the legal authority to categorize those classes as to what is used right now. It is a similar theory. My hope was to use this as a vehicle to...we have been talking about a lot. We have a vehicle on the table rather than having to assume it is something new, but we could always submit something new in the future as well. There is still work to be done on it, but because the budget is here and now, if we could accelerate the process a little bit, I think it would be helpful.

Council Chair Rapozo: Councilmember Kualii, did that answer your question?

Councilmember Kualii: Yes. Thank you.

Council Chair Rapozo: Councilmember Yukimura.

Councilmember Yukimura: I have a process suggestion. I appreciate that Councilmember Hooser and Councilmember Chock have been looking at another possible source of revenue. That is what I have been waiting for and asking for. If you do not want vehicle weight or fuel tax increases, what is the other solution? I appreciate there has been some thinking about this. If there is a desire to use this Bill as a vehicle, I would suggest deferring it and not passing it on first reading because we do not want to go to public hearing before we get a fairly good idea of what we are proposing. Deferring it so that we would still have a chance to do a first reading and set a public hearing so that on first reading you could amend it and then set a public hearing, which would give the public a better idea of what the bill looks like when they come and speak about it.

Council Chair Rapozo: A deferral and receipt, in this case, would be the same because it would restart the clock for two (2) weeks. If you defer this, it goes for two (2) weeks and then you are back to approving it on first reading. If you receive it, the clock starts in two (2) weeks when you folks can have the time to put together a bill that specifically targets what you want to do.

Councilmember Yukimura: If you receive it, then it goes out with a recommendation for receipt.

Council Chair Rapozo: No, no. This is a Council Meeting.

Councilmember Yukimura: Oh, this is a Council Meeting.

Council Chair Rapozo: There is no advantage. It is the same result. It is the same result if you defer it. I would rather, if in fact, you are talking about a fee or weight tax on rental car, that the bill be structured around that premise and not significantly changed to accommodate...I mean, it is the same. I think you know what I am saying. We are talking about a whole different bill with a whole different purpose. Again, deferring and receiving gives no advantage to any bill. It is just the same thing. It is just semantics.

Councilmember Yukimura: But Council Chair Rapozo, receipt would basically kill it, so I do not think it would come up in next meeting.

Council Chair Rapozo: No, their new bill would is what I am trying to say. If you defer this today, this Bill shows up, but then you have to you go through the whole amendment process.

Councilmember Yukimura: Yes.

Council Chair Rapozo: If you receive it today, Councilmember Chock and Councilmember Hooser can work on a new bill that specifically addresses what there seems to be some interest on this table, and not trying to again retrofit a bill with a new intent. That is all I am suggesting. Councilmember Kaneshiro.

Councilmember Kaneshiro: I was going to say the same thing. I do not see us getting through this process any faster by not having a new bill because this is on first reading right now. If we defer it, it is going to have to take public hearing and be on first reading again with the amendment. I would rather see a new bill come in and we take it from there.

Council Chair Rapozo: Councilmember Kualii.

Councilmember Kualii: My preference for a new bill also would be that even within the title, be a little more specific so the public knows specifically what we are talking about; car rental companies.

Council Chair Rapozo: Again, I think that is how it should be where it is really targeted to what you are trying to do. But obviously that is the pleasure of this body and whatever you folks want to do. Any other discussion? If there is no more discussion, I appreciate Councilmember Hooser's discussion and working with Councilmember Chock on getting something for the visitor industry. Councilmember Kagawa has talked about it, addressing property taxes for the resorts and vacation rentals, that industry, to make up for the moneys that we will not be getting for the TAT. I did bring that up with one (1) hotel man and I think he got really upset. He said, "You are going to kill the goose that lays the golden egg." Well, the State has left us with no choice. The State has left us looking at other avenues, but why should the taxpayer, the resident taxpayer, pick up the slack on what visitor industry impact is? I disagree with that. People are going to be upset. When the visitor industry realizes that they are now being looked to pick up the slack, that will force them to maybe show up at the legislature during the TAT hearings, which they never did. Maybe write a letter to the delegation, which they never did. Maybe that will trigger some activity from the visitor industry to say, "Now you are going to affect my pocketbook? Do you know what? We better get involved." Well, too late. The GET, can anybody answer me this question, why would the State Legislature, who is supposed to be representing people of their districts, why would they give us a window to set the GET or whether or not we want to choose to charge a GET? Why would they put it in the little window, saying "you have to do it by this day or you lose it for ten (10) years?" Why would they do that? Really, why? To put pressure. Why? Why should that not just be an ongoing opportunity for the Counties to set a GET Surcharge as they see it? Why? Does it change the process at State tax office?

Councilmember Yukimura: Yes. I can explain.

Council Chair Rapozo: Okay. I would love to hear it. Go ahead.

Councilmember Yukimura: I spoke to both Committee Chairs, Senate Committee on Ways and Means and House Committee on Finance, and they do not want to leave an open-ended ability to put a tax in for the Counties because they may, from their side, want to impose an excise tax. It is the same thing that we are experiencing with the fuel tax and vehicle weight tax. What we do affects their ability to put a tax out. If they are in constant uncertainty, they are not able to act as freely. They said, "Look Counties, because our Mayors did go and say we want a one percent (1%) excise tax and maybe we will not use it, but maybe we will." That was not well received because they said, "If you want it, that must mean you need it and you use it, or do not leave us hanging not knowing when you are going to impose one and then double the impact when we impose it on the common taxpayer." They were trying to think about not putting a common burden on the taxpayer. That was the rationale that they gave me.

Council Chair Rapozo: I am glad that is not your perception because then you are not offended when I say that is ridiculous. So that is not meant to you Councilmember Yukimura, that is meant to the person who told you that. Half a percent (0.5%) this year, half a percent (0.5%) next year, and half a percent (0.5%) the following year, what is it to the State? Who cares? Whether you take it or not, it is still half a percent (0.5%). I do not know what it was. They wanted us to act, so they knew where their position was so they could...it does not affect them. Whether we charge half a percent (0.5%) or not, does not affect the State at all. This is just this power trip that we are dealing with, and it is finally surfacing that the public finally seeing it now that the State is just bullies. It is time that we exposed that. Now as you said, Councilmember Kaneshiro, once you pass this based on existing law, it is gone. We do not have that opportunity. Why not, is my question. Next year, the State Legislature could come out with another GET bill that says, "Hey Counties, you have an opportunity to raise your..." what impact does it have on the State? Anyway, that is just my position. Somebody has to make up the difference, and the difference that we are chasing right now is not just one hundred million dollar (\$100,000,000) backlog in paving, it is millions and millions and millions and millions of dollars of TAT. That is the problem. Going forward, additional revenue. As the tourist industry is growing well, we do not benefit, but the impacts and cost of the impacts to this island grows. We do not get the benefit. We do not get the resources. Anyway, I would suggest that we do go on with the receipt and Councilmember Hooser and Councilmember Chock can try to get something together by the next Council Meeting. Again, the end effect will be the same. The end result will be the same. With that, the motion is to receive. Roll call.

The motion to receive Proposed Draft Bill (No. 2631) for the record was then put, and carried the following vote:

| | | |
|-----------------------|-----------------------------------|------------|
| FOR RECEIPT: | Kagawa, Kaneshiro, Kualii, Rapozo | TOTAL – 4, |
| AGAINST RECEIPT: | Chock, Hooser, Yukimura | TOTAL – 3, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0. |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

Ms. Fountain-Tanigawa: Four (4) ayes.

Council Chair Rapozo: Thank you.

BILLS FOR SECOND READING:

Bill No. 2623 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 15A OF THE KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO THE KAUAI COUNTY FIRE CODE: Councilmember Kuali'i moved for adoption of Bill No. 2623 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Chock.

Council Chair Rapozo: Is there any discussion? Is there any public testimony?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Rapozo: Seeing none, roll call.

The motion for adoption of Bill No. 2623 on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

| | | |
|-----------------------|--|------------|
| FOR ADOPTION: | Chock, Hooser, Kagawa, Kaneshiro, Kuali'i, Yukimura, Rapozo | TOTAL – 7, |
| AGAINST ADOPTION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0, |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Rapozo: Next item.

Bill No. 2624, Draft 1 – A BILL FOR AN ORDINANCE APPROVING A COLLECTIVE BARGAINING AGREEMENT FOR BARGAINING UNIT 14 BETWEEN JULY 1, 2015 AND JUNE 30, 2017: Councilmember Kuali'i moved for adoption of Bill No. 2624, Draft 1 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Kaneshiro

Council Chair Rapozo: Is there any discussion?

Councilmember Kagawa: Yes.

Council Chair Rapozo: Councilmember Kagawa.

Councilmember Kagawa: I want to thank HGEA. I made an appointment and spent some time with Gerald and Dill. They shared with me some of the increases that are going to be occurring with this movement. It is a very generous package. The beginning lifeguards will going up in the neighborhood of thirty-six thousand dollars (\$36,000) to forty-three thousand dollars (\$43,000) per year, starting pay. I really feel like it is very difficult to be in a position of being broke, deciding what to tax, what not to tax, how we fix roads, and then in one (1) year, we have an agreement that just makes everybody jump up at least six thousand dollars (\$6,000) to seven thousand dollars (\$7,000) for doing the same job they were doing yesterday. Normally increases take place at the two percent (2%) or one percent (1%) range per year now that governments are struggling. But the police, fire, and lifeguards seem to have gotten a different deal when it comes to these negotiations. It is concerning for me. Number one, it is not sustainable. Number two, what about the other unions? Soon you are going to have all of these different professionals with much greater managerial duties getting paid the same as somebody who is a beginning lifeguard or a beginning fireman. I think what is really happening is we are having salary inequities going on and it is even worse than salary inversion because at the end of the day, what you will have is you will have people going to be lifeguards, firemen, policemen, and all of these other jobs where they have degrees, they will not be applying for those jobs. We have heard it already from the Fire Department that they are getting engineers and teachers applying for firefighter jobs. What in the world is going on? What happened to these other fields? It has basically become the pay. It is very concerning. I do not know how it is sustainable. I have never seen any Council deny a negotiated pay increase, but I had to just say that I am kind of concerned. I think the salaries for different levels of duties are just becoming all out of whack, and where do we go from here? I do not know, but certainly I will not stand quiet on it. I see some major issues, I see some major problems, and it is not sustainable. Is a top management policeman or fireman worth one hundred seventy-one thousand dollars (\$171,000)? Absolutely not, but it is happening. What do we do? Do we just sit here and say, "Well, it is negotiated, we cannot do anything." I think if we are thinking about sustainability, we need to start doing something. What that is, I do not know. If I had the answer, I would do it now. Thank you, Council Chair Rapozo.

Council Chair Rapozo:

Anyone else? Councilmember Chock.

Councilmember Chock: We have had this discussion to some degree before, and there is an option. We talked about it earlier, about not having any control over it, but the fact is that we can all vote this down as we could vote other collective bargaining down. That is under our purview and I think we kind of skip around that question often, too often. I am more supportive of this than I have of the police and fire in the past because the lifeguards have been struggling for a long time. This is one of the units that I think if anything, needs to get up to speed. For that reason, I am much more supportive today of this. But I think the larger discussion that we could have is if we decided as a Council that we do not want to move forward,

we have some say in this process that they go back to the table and discuss this. We should have that discussion, a full discussion on it. Thank you.

Council Chair Rapozo:

Councilmember Yukimura.

Councilmember Yukimura: Yes. I think Vice Chair Kagawa and Councilmember Chock have identified an area that we have to do something about. I feel the lifeguards were left behind during the time of furlough when even though they are public safety related, they were furloughed while police and fire were allowed to get their raises compounded over the two (2) year period, and that put the lifeguards really far behind. I think some of the increase is important, but the overall setting of salaries Countywide is a difficult thing. It has been said around this table that the Council has no powers at all, but in fact, all of these like here today, they are before us for approval or disapproval. We do have that power and the Administration has a lot of responsibility as well since they do the negotiating. It is something that is very much about fairness amongst the different positions in the County.

Council Chair Rapozo:

Councilmember Hooser.

Councilmember Hooser: I am just going to echo a little bit what the two (2) previous speakers said that we do have power. We should vote in support if we support it, and vote in opposition if we oppose it. I think it is pretty clear. To say that we oppose it and then vote in support of it, I think, it sends the wrong message. It says that either we are empowered by our votes and our positions or we are not. I am voting in support. Thank you.

Council Chair Rapozo:

Anyone else? Councilmember Yukimura.

Councilmember Yukimura: Yes. The issue of sustainability though, is a real one. It goes back to my comments about every time we found savings, collective bargaining increases kind of wipe it out. That means that we have no moneys then for the kinds of initiatives that we have to do to prepare for the future or to address certain problems. If the collective bargaining system is not sustainable, it impacts the whole budget and all of our responsibilities.

Council Chair Rapozo: Anyone else? I think it is important for the public to understand the process that we have very little control. Maui was considering voting down this agreement, but the reality is when, and I have said this so many times on the floor for so many years, that the County has to get aggressive when we negotiate the contracts. The labor unions, they serve their members. They spend the money, they hire negotiators that come from the mainland, and put out the case in front of the arbitrator. The arbitrator rules based on the information that they are provided by both sides. Now, we get our butts kicked every negotiation because they have better negotiators, and I think at some point, the counties and the mayors are going to have to get together and hire some negotiators that can negotiate better. That is how we can do this because for one (1) county to hold out, let us say

Maui or Kaua'i said no. It goes back to the table. That is not cheap either, to go back to the arbitrator's table, to go back to the negotiating table, spend all of that money again, end up in front of an arbitrator again who chances are, will rule the same way unless we are going to get a better negotiating team. It starts at negotiating. That is where we have to do a better job. Once the arbitrator rules, it is very difficult, in my opinion, for any one (1) county to stand out and say "we do not support this" because we had our support with the negotiations. That is where we have to do a better job. The unions pay big money for negotiators and they do a great job. I do not read every single one of them, but I did read the police negotiations. When the negotiators for State of Hawai'i Organization of Police Officers (SHOPO), which were hired, made the argument about using our Comprehensive Annual Financial Report (CAFR), using our financial situation or fiscal position, the counties made no position against it. They just said, "Yes, we have no comment." What do you expect the arbitrator to do? Yet, we are all struggling. Every county is struggling and every county is faced with the same fiscal dilemma, and yet, we do not make a case that these increases are going to hurt the fiscal positions of the counties. That is where we have to do a better job. Once it goes through the process through an arbitrator and it ends up here, yes, we could say no, but chances of winning that is very slim and it is going to be costly. With that, anyone else? Councilmember Kualii.

Councilmember Kualii: I just want to add something briefly. Council Chair Rapozo pretty much said it, but let us be reminded that during the budget, we have full authority to vote on positions that are not in the bargaining unit. We have appointed positions. We have excluded management positions that, by executive order of the Mayor, just follows the bargaining units. Until we get to the point where we are negotiating, and if anything, from the top we should set the example. If we need to be cutting across the board, thinning out, and saying it is not sustainable and start really addressing that, then let us start with the top and let us start with where we vote on the budget where things are directly under our control. Yes, this is under our control, but it is only after the negotiation. It is a little removed because it is done Statewide. With the top positions that are covered by the Salary Resolution, we have the ultimate voting budget power, with the appointed people, we have the ultimate budget voting power, and with the excluding management, we should be working better with the Mayor to not have it just automatically follow the bargaining unit raises.

Council Chair Rapozo:

Councilmember Kaneshiro.

Councilmember Kaneshiro: It is a hard pill to swallow every time these come up. Without a plan or without things changing, us voting no, I do not see any happening as far as any changes to what the contract is. It is going to go back into ash arbitration and we are going to make the same arguments we made. I do not really see a change. Unless there a major change in the system, or a HRS change, or something like that, we do not really have much power. I do not know what to do, but I do not see us voting no and then there is going to be a big change in this anyway. I am going vote for it. I do know lifeguards, some of their pay is pretty low and I do

think they deserve a little more pay. Again, this whole collective bargaining thing kind of just snowballs once it comes here and it is like everybody has to take a raise and everybody gets a huge jump. I do not know how to control it from this seat. I will be looking into what we can do. In the end, there may not be anything we can do, but it does change who controls the collective bargaining. With the State having power in that, it really dilutes our power in controlling what we do here.

Council Chair Rapozo: Anyone else? I should say my comments for collective bargaining were in general. I do not want anyone to think that I do not think a lifeguard is worth what this contract pays them because it is. They are worth it. They are definitely, and especially to the people that are drowning in the ocean. I am not willing to go and fight the ocean to...I like helping people, but I am not a very good swimmer and it takes a special person to do that. I am not directing my comments to this agreement. I am just saying in general, all collective bargaining agreement, that when you look at...Councilmember Kagawa said it best. It is the salary...what did you call it? Inequity. It goes for the police and fire as well. These people are put their lives on the line and then you get someone working in an office that is working clerical or doing some administrative things. I am not saying that is not important, but that makes more than an entry level police officer or fireman. Is that equity? I do not know. It depends. My comments are to collective bargaining in general, that we need to get a better handle on how it is done. With that, the motion is to approve. Roll call.

The motion for adoption of Bill No. 2624, Draft 1 on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

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|-----------------------|--|-------------|
| FOR ADOPTION: | Chock, Hooser, Kagawa, Kaneshiro, Kuali'i, Yukimura, Rapozo | TOTAL – 7*, |
| AGAINST ADOPTION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0, |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

*(*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Kagawa was noted as silent, but shall be recorded as an affirmative for the motion.)*

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Rapozo: With that, can we read us into Executive Session, and then we will be done for the day for you, BC?

EXECUTIVE SESSION:

ES-848 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney, on behalf of the Council, requests an Executive Session with the Council to

provide the Council with a briefing, discussion, and consultation regarding the Quarterly Report on Pending and Denied Claims. This briefing and consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-849 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney, on behalf of the Council, requests an Executive Session to brief the Council on matters concerning the impact that statutes and constitutional provisions will have on efforts to change the governmental structure of the County of Kaua'i from the current system to a Council-Manager form of government, and to discuss the opinions issued by the Office of the County Attorney as they relate to this matter, and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-850 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an Executive Session with the Council, to provide the Council with a briefing regarding Equal Employment Opportunity Commission (EEOC) Charge Nos. 486-2013-0005, 486-2013-00342, 486-2013-00047, and 486-2013-00343 concerning the County of Kaua'i, Kaua'i Police Department, to obtain settlement authority, and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-851 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an Executive Session with the Council, to provide the Council with a briefing in the mediation of: Michael S. Kocher, Sr., Individually and on behalf of the Estate of Michael S. Kocher, Jr.; Patricia Kocher and County of Kaua'i; Irvin Magayanes, Mediation No. 15-0482-M, to obtain settlement authority, and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

Council Chair Rapozo: Thank you. Can I get a motion to go into Executive Session?

Councilmember Kagawa moved to convene in Executive Session for ES-848, ES-849, ES-850, and ES-851, seconded by Councilmember Chock.

Council Chair Rapozo: Thank you.

There being no objections, the rules were suspended to take public testimony.

Council Chair Rapozo:

Mr. Taylor.

Mr. Taylor: Chair and Members of Council, my name is Ken Taylor. I am speaking in reference to ES-849, going into closed session to brief the Council on matters concerning the impacts of statutes and constitutional provisions will have on the effect of changing of the government structure of the County of Kaua'i. I really have trouble with this because I believe it is a discussion of rules and regulations that are already existing and how they affect the discussion of changing the government structure. I really believe that that activity should be done in a public/open meeting, not behind closed doors. There is absolutely no reason to justify this discussion behind closed doors. It goes on to talk about well, the opinions by the Office of the County Attorney as they relate to this matter. Again, if they have an opinion about the rules and regulations that are currently in place and how they may affect the discussion, I believe the public has the right to know and hear what these are, and that it be done in public meetings.

(Councilmember Kagawa was noted as not present.)

Mr. Taylor: I would ask that you eliminate ES-849 from your agenda and bring it back to a meeting next meeting. Thank you.

Council Chair Rapozo: Thank you. Is there anyone else wishing to testify? Mr. Sykos.

Mr. Sykos: For the record, Lonnie Sykos. Regarding ES-848, it would be a good thing for the public if attached to this was the Quarterly Report on pending and denied claims. That could have been posted electronically on the website and that this is all public information. These are about lawsuits that have been entered into court, and therefore, it is public information.

(Councilmember Kagawa was noted as present.)

Mr. Sykos: Who is launching the lawsuit and why the lawsuit was filed. The details of it or judgments about it is not what I am asking for. It is simply a list of who it is and why they sued the County, and whether we paid or why we denied the claims. This is public record. Why this should be done in Executive Session is beyond me, likewise with ES-849. I cannot, for the life of me, think of anything that would create a liability for me, the taxpayer. I can think of lots of things that might create liability for someone seeking the vote from the public, but I did not imagine anything that the County Attorney is going to discuss that would create a liability over the potential charter amendment. I agree with Ken. I think that the discussion about the charter amendment should be all in public. I cannot imagine why you need to meet in secret to do it.

Council Chair Rapozo:

Thank you.

Mr. Sykos: Thank you.

Council Chair Rapozo: Mr. Trask, can you come up to the table please? Councilmember Yukimura, are you going to ask him to come up, too?

Councilmember Yukimura: Yes.

Council Chair Rapozo: First of all, as relates to ES-849, until we get in there, I can assure the public that if it is a policy matter, I am not going to allow that to continue in there. I think you know that, Mauna Kea.

Mr. Trask: Yes.

Council Chair Rapozo: We have stopped discussion. I do not think any of us is going to participate in a discussion that is a policy discussion. That does belong out here. So until we get in there, I am not sure what we will discuss. As far as ES-848 on the claims, it is public record, correct? When someone files a claim here...

Mr. Trask: Yes.

Council Chair Rapozo: It is public. They can come in and get a copy of it. I think the personal information is redacted, but the claimant is public, the amount, and what occurred is public. Is that correct?

Mr. Trask: Correct.

Council Chair Rapozo: I think what I am hearing the public ask, and I tend to agree as far as the status of the claim, the information of the pending and denied claims does that become public record when it is denied?

Mr. Trask: I think...

Council Chair Rapozo: My concern is when we deny a claim, it is not a lawsuit, it is a claim.

Mr. Trask: Yes, these are all claims.

Council Chair Rapozo: Typically what will happen, or the potentially what can happen is they file a lawsuit if they are not satisfied with the results. Obviously, if we deny a claim, they have the opportunity to file a civil lawsuit. The question is pending and denied claims as far as what the public has a right to see, I guess that is the question...are they entitled to a redacted version because it is not final? If you need time...

Mr. Trask: No. Under HRS 46-72 filing of the claim is a jurisdictional prerequisite to suing the County. So you have to file these claims if you want to sue the County.

Council Chair Rapozo: Right.

Mr. Trask: The statute of limitation is still two (2) years, irrespective whether we deny it or not. You still have to file within two (2) years.

Council Chair Rapozo: Okay.

Mr. Trask: A lot of this is how we dealt with it in the past. I am happy to relook at how we do it. The communications that we give to you and what this body requests from Office of the County Attorney is generally treated as confidential until you, the client, releases it. If you want to change the process, I am happy to do it.

Council Chair Rapozo: I do not want to change anything. The law right now or the fact of the matter is when someone files a claim with the County, it comes through the Office of the County Clerk, it gets posted on the agenda, and it is public.

Mr. Trask: Yes.

Council Chair Rapozo: Anyone can come in and say, "I need a copy of Claim..." we had three (3) today, C 2016-117, C 2016-118, and C 2016-119. We would have to provide them a redacted version with the personal information taken out. Is the status of these claims available to the public?

Mr. Trask: If we deny a claim, yes. We send a letter to the claimant telling them it is denied. That is not a private communication.

Council Chair Rapozo: That is not a private communication?

Mr. Trask: No.

Council Chair Rapozo: Okay.

Mr. Trask: Some of the contents or reports, based upon your discussions, there may be some personal information included therein that we give you under confidential cover, but we can take that out. We are not...

Council Chair Rapozo: I do not want to be sued by the claimant because we allowed personal information.

Mr. Trask: That is kind of the thing. It is a very case-by-case basis. If anybody wants to make a public records request we are going to have to answer it anyway. I just want to avoid duplication of work. Whatever we figure out to make it work, I am fine to do.

Council Chair Rapozo: Okay. Because it has now been brought to our attention here on the floor that if anyone would come in, and I will give you a hypothetical. I understand if you cannot understand it. If Mr. Taylor came in tomorrow and filled out a Freedom of Information Act (FIOA) request on the status of denied claims, would we be required to provide him?

Mr. Trask: We would have to look at it. We would have to evaluate it.

Council Chair Rapozo: Okay. Councilmember Yukimura.

Councilmember Yukimura: The status of denied claims is that they have been denied.

Mr. Trask: Yes.

Councilmember Yukimura: But in terms of status of claims pending, that is definitely Executive Session material, right?

Mr. Trask: Yes. We would never show you a large part of the contents of our file. No one is going to see our work product.

Councilmember Yukimura: Right.

Council Chair Rapozo: Right.

Mr. Trask: No one is going to see any of that.

Councilmember Yukimura: The claim itself, which is filed, is public record, and it is on our agenda before we send it to you, that is public record?

Mr. Trask: Yes.

Councilmember Yukimura: The claim, when it is filed. What happens to it during its time with the Office of the County Attorney is not public?

Mr. Trask: Correct.

Councilmember Yukimura: Once it is denied, then that denial is public.

Mr. Trask: Yes. Some of the things we talked to you about, damage to person, there could be medical things and medical special damages. We are not going to share that. It depends.

Council Chair Rapozo: But right now, we are not sharing anything?

Mr. Trask: Correct.

Council Chair Rapozo: And I think that is the concern. I think what the public is saying hey, whatever can be released, we want. I am actually more comfortable if we were to defer this for two (2) weeks.

Mr. Trask: I am happy to do that.

Council Chair Rapozo: What?

Mr. Trask: I am happy to do that.

Council Chair Rapozo: Okay. Then you can take a look at what....because it is it is not in our Council Rules.

Mr. Trask: Yes.

Council Chair Rapozo: I do not think it is our determination what we want to do. I think what the public has a right to see, they need to see. If we can defer this one for two (2) weeks to the next Council Meeting, Mauna Kea, and then if you could take a look because I do not know. It is just been the way we have done it, and that does not make it right.

Mr. Trask: I am happy to do that.

Council Chair Rapozo: Okay.

Mr. Trask: Also for ES-849, are we still talking about that? I just received...

Council Chair Rapozo: ES-849, I already said. I do not know what the issue is until we get inside.

Mr. Trask: I just received it yesterday. I am happy to defer that as well. I just received the Resolution yesterday. I read it once.

Council Chair Rapozo: ES-849?

Mr. Trask: Yes.

Council Chair Rapozo: Well, if we decide to defer it...I do have some questions for ES-849, and I know it belongs in there.

Mr. Trask: Okay.

Council Chair Rapozo: It is a legal question, but I did not request the posting for that reason. I just was made aware of that reason today by Peter so that, we are going ask inside of the Executive Session. Are there any other questions for Mauna Kea? If not, can we do a deferral out here for ES-848?

Councilmember Kagawa moved to defer ES-848, seconded by Councilmember Yukimura.

Council Chair Rapozo: Can we do that or do we have to reconsider?
Okay. We can do that.

The motion to defer ES-848 was then put, and unanimously carried.

Council Chair Rapozo: Thank you.

Councilmember Kagawa moved to convene in Executive Session for ES-849, ES-850, and ES-851, seconded by Councilmember Chock.

Council Chair Rapozo: Roll call.

The motion to convene in Executive Session for ES-849, ES-850, and ES-851 was then put, and carried by the following vote:

| | | |
|----------------------------|--|------------|
| FOR EXECUTIVE SESSION: | Chock, Hooser, Kagawa, Kaneshiro, Kualii, Yukimura, Rapozo | TOTAL – 7, |
| AGAINST EXECUTIVE SESSION: | None | TOTAL – 0, |
| EXCUSED & NOT VOTING: | None | TOTAL – 0, |
| RECUSED & NOT VOTING: | None | TOTAL – 0. |

Ms. Fountain-Tanigawa: Seven (7) ayes.

ADJOURNMENT.

There being no further business, the Council Meeting adjourned at 5:06 p.m.

Respectfully submitted,



SCOTT K. SATO
Deputy County Clerk